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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

COALITION FOR ACCOUNTABLE ELECTRIC SERVICE IN RIVERSIDE COUNTY, an unincorporated association; Petitioner and Plaintiff, vs. IMPERIAL IRRIGATION DISTRICT, a California irrigation district, Respondent and Defendant	Case No. CVPS2606927 Judge: **VERIFIED PETITION FOR WRIT OF MANDATE AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE RELIEF** (1) Writ of Mandate - Violation of Cal. Const., art. XIII C (Proposition 26) (Code Civ. Proc. § 1085); (2) Declaratory Relief (Code Civ. Proc. § 1060); (3) Writ of Mandate - Unapproved Surcharge Exactions (Cal. Const., art. XIII C) (Code Civ. Proc. § 1085); (4) Injunctive Relief Ancillary to the First and Third Causes of Action (Code Civ. Proc. § 526). [Verification attached]

INTRODUCTION

1. This action challenges the Imperial Irrigation District's ("IID") ongoing collection of retail electric rate increases from customers in Riverside County that recover the costs of an extraterritorial expansion that California law required IID proceed through county approval and annexation, and which IID never did. As applied to Riverside County ratepayers, IID's 2025 rate increases constitute a tax within the meaning of article XIII C, § 1(e) of the California Constitution (Proposition 26), and no electorate has approved them.

2. On October 11, 1993, the Legislature enacted Government Code § 56133 (A.B. 1335, Stats. 1993, ch. 1307, eff. July 1, 1994), providing that an irrigation district "may provide new or extended services by contract or agreement outside its jurisdictional boundaries ***only if it first requests and receives written approval*** from the [LAFCO] commission in the affected county," and the statute exempted "an extended service" that a "district was providing on January 1, 1993." (EXHIBIT 1.) LAFCO could only permit a "district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence ***in anticipation of a later change of organization***." The extraterritorial service was in anticipation of annexation.

3. The Cortese-Knox-Hertzberg Act of 2000 repealed and reenacted Government Code § 56133, eff. January 1, 2001, in its current form:

> "(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary ***only if it first requests and receives written approval from the commission*** of the county in which the affected territory is located."

> "(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence ***in anticipation of a later change of organization***." (EXHIBIT 2.)

4. The reenactment continued the 1994 requirement in subdivision (a) that the district secure approval first before providing extraterritorial services with the words "only if it first requests and receives written approval." Subdivision (b)'s sphere-and-annexation pathway continues unchanged from the 1994 statute. Subdivision (e)(4) exempted "[a]n extended service" a "district was providing on or before January 1, 2001," protecting existing service on the cutoff date. Subdivision (e)(5) exempted extraterritorial electric-utility services involving no "acquisition, construction, or installation of electric distribution facilities." (*Id.*) In the thirty-two years since Government Code § 56133 took effect, IID has never once requested Riverside LAFCO's approval for any of the approximately 60,000 extraterritorial meters it has installed in Riverside County.

5. In 2006, Riverside LAFCO undertook a state mandated review of services within Riverside County, and found no records that a sphere had ever been established for IID, despite a state mandate dating to the mid-eighties. Riverside LAFCO established IID's sphere of influence, recommended that IID annex its Riverside County service area to allow "registered voters within the County of Riverside to participate in IID's elections" and waived the annexation fees. (EXHIBIT 3.) IID rejected the recommendation to annex, stating it "sees no reason why its Riverside County service area boundary needs to be amended or changed." (EXHIBIT 4.)

6. IID refused to annex a second time in 2023, in a letter signed by all five of its directors removing any doubt why IID refused to annex, because annexation would "likely allow the Coachella area voters to elect a significant majority of a single governing board." (EXHIBIT 5.) IID refused to enfranchise those it taxes because its directors might not be re-elected. Seventeen months after refusing to give its Riverside customers the right to vote by annexation, IID imposed a rate increase of 69 percent, rising to 109 percent by 2027. ***Taxation without representation*** is not a figure of speech; it is IID's stated position, in its own letter, signed by all five of its directors. Four of them are on the Board as of this filing.

7. IID has a total of 166,000 electric meters at present. Sixty-one percent of those services are in Riverside County. IID added approximately 60,000 new electric meters in Riverside County since July 1, 1994, when Government Code § 56133 took effect. IID's expansion in Riverside County – without any approvals from Riverside LAFCO and without annexation – is equal to the entire 64,000-meter count that IID has in Imperial County.

8. In 2023 after rejecting annexation, IID focused on joint powers agreements with public agencies in Riverside County for expansion. However, Government Code § 56133, subdivision (a), applies to new or extended services "by contract or agreement"; nothing in § 56133 exempts joint powers agreements from Riverside LAFCO's approval. Extraterritorial electric-utility services that involve "construction, or installation of electric distribution facilities" are not exempt and require LAFCO approval as a precondition. (Gov. Code § 56133, subd. (e)(5).) The JPAs are not a way around the requirement that IID annex; they are the exact circumvention, expansion by contract without annexation, that § 56133 was enacted to prevent.

9. A second, independent restriction on IID's extraterritorial expansion has applied for twenty-five years. Effective January 1, 2001, Public Utilities Code § 9607 provides that

> "an irrigation district that offered electrical service to retail customers as of January 1, 1999, ***may not construct, lease, acquire, install, or operate*** facilities for the distribution or transmission of electricity to retail customers located in the service territory of an electrical corporation providing electrical distribution services, unless the district has first applied for and received the approval of the [public utilities] commission and implements its service consistent with the commission's order." (EXHIBIT 6.)

10. Approval is not ministerial; it requires notice, hearing, and Commission findings on seven enumerated matters. (§ 9607, subds. (b)(1)-(b)(7).) Public Utilities Code § 9607, subdivision (j), establishes a limited grandfather provision which exempts electricity to "customers electrically connected to a district as of December 31, 2000, or to other customers who subsequently locate at the same premises." (§ 9607, subd. (j).) The exemption is for existing customers and premises; it does not authorize unrestricted expansion throughout a geographic territory.

11. IID added approximately 50,000 new electric customer accounts in Riverside County since 2001 without Commission approval under § 9607. This post-2001 defect is independent of the Government Code § 56133 failures and the failure to obtain the State Treasurer's approval for the 1994 extension. Since July 1, 1994, IID has added approximately 60,000 new electric customer accounts in Riverside County.

12. Separately, IID's original authority itself lapsed. IID's Riverside County presence rested on a fixed-term, dual-approved service-area arrangement requiring matching orders from two state agencies – a requirement codified in former Public Utilities Code § 8105, which provided that "any such order of the Public Utilities Commission ***shall not be effective until the State Treasurer has issued its order*** limiting the area to be . . . served . . . by the irrigation district." For fifty years the matching orders issued at every stage. For the attempted 1994 renewal, only the Commission's order issued: no State Treasurer's order has been identified, and IID, asked directly to produce one, refused – asserting that the

request "comes three decades too late." The last dual-approved arrangement therefore expired on October 14, 1993. This defect is pleaded below as an additional, independent ground; the Government Code § 56133 and Pub. Utilities Code § 9607 violations stand regardless of it.

13. There are multiple independent defects in IID's Riverside County service authority, and each is independent of the others. First, since July 1, 1994, Government Code § 56133 conditioned IID's new or extended Riverside County services on Riverside LAFCO approval granted in anticipation of annexation, and IID has never applied and never annexed. Second, since January 1, 2001, Public Utilities Code § 9607 has prohibited IID's construction and operation of distribution facilities for new Riverside County premises without Commission approval, and IID has never applied. Third, IID's underlying service-area arrangement expired on October 14, 1993 for lack of the State Treasurer's order former § 8105 required. Every one of these defects was avoidable and remains ***curable by application, by annexation, or by both***, and IID has refused every cure.

14. These territorial defects have direct consequences under Proposition 26. IID bears the burden of establishing that the challenged charges fall within an enumerated exception to article XIII C, section 1(e), including that the charges do not exceed the reasonable costs of the governmental activity and that those costs are fairly or reasonably allocated to the payor. Costs incurred to provide, construct, or operate service and facilities outside IID's lawful authority are not reasonable costs of a qualifying governmental activity.

15. Against this backdrop, IID substantially increased its electric rates beginning in 2025. Residential base energy rates rose approximately 69 percent, and by January 1, 2027, the cumulative increase is scheduled to reach approximately 109 percent. The cost-of-service study supporting the increases contains no geographic allocation distinguishing costs incurred in Imperial County from costs incurred in Riverside County. Riverside County customers separately fund electrical infrastructure in Riverside County through joint-powers and cost-sharing arrangements and local surcharges. These additional exactions are imposed on top of the challenged increases.

16. The consequences of IID's expansion without annexation are substantial. Approximately 61 percent of IID's 166,000 electric meters are located in Riverside County, outside IID's jurisdictional boundaries. The approximately 101,000 meters serve more than 200,000 ratepayers who cannot vote for IID's Board of Directors; they also are not protected by Public Utilities Commission retail-rate regulation, and because they are not members of IID's electorate they are denied any vote on the challenged charges under Proposition 26.

17. Because IID's electorate is statutorily confined to registered voters residing within its Imperial County boundaries, even an election on the challenged rates limited to IID's electorate would permit Imperial County voters, representing a minority (39%) of IID's overall ratepayer base, to authorize charges borne primarily by Riverside County customers, representing a majority (61%) of IID's ratepayers who cannot cast a ballot in that election. Such a result is incompatible with the constitutional guarantees in Proposition 26.

18. Before filing this action, Petitioner presented these issues directly to IID's Board of Directors and counsel through detailed correspondence. (EXHIBIT 7.) IID's responses identified no post-1994 approval under Government Code § 56133; no post-2001 approval under Public Utilities Code § 9607; and no State Treasurer order approving the 1994 extension. IID instead asserted that its 1992 agreement extends automatically and that an extension "***requires no application, no petition, no hearing, and no board action***." (EXHIBIT 8.) Petitioner's counsel disputed IID's position in a detailed letter (EXHIBIT 9.) The legality of the challenged rates is concrete, present, and ripe.

19. Petitioner seeks prospective relief only. Petitioner does not seek refunds of past payments, invalidation of completed service connections, or interruption, disconnection, or curtailment of electric service to any existing customer. Petitioner seeks writ, declaratory, and injunctive relief directed to IID's ongoing and future collection of the challenged charges, including restoration of Riverside County rates to the levels immediately prior to February 1, 2025, and halting of new meters, new facilities, and new service agreements until a cost-of-service study is approved, and IID's authority in Riverside complies with Government Code § 56133 and Public Utilities Code § 9607, ***or the territory is annexed***.

PARTIES

20. Petitioner and Plaintiff COALITION FOR ACCOUNTABLE ELECTRIC SERVICE IN RIVERSIDE COUNTY ("Coalition" or "Petitioner" or "Plaintiff") is an unincorporated association with the capacity to sue in its own name. See Code of Civil Procedure § 369.5 (capacity of an unincorporated association to sue in its common name).

21. The Coalition was formed to promote lawful, accountable administration of IID's extraterritorial electric service and to enforce the statutory limitations alleged herein. Sebastian Rucci is the Coalition's authorized representative and is himself a retail electric customer of IID at his home in Bermuda Dunes, Riverside County, California.

22. The Coalition's members include persons who receive retail electric service from IID in Riverside County, including at premises to which IID first extended service after October 14, 1993, who are subject to the rates and charges IID imposes for that service, and who are directly affected by the rates, and charges alleged herein.

23. Sixty-one percent of IID's customers cannot vote for the Board that sets their rates; those customers are not protected by Commission retail-rate regulation; IID has refused every administrative avenue that might have produced a public remedy, twice declining annexation and never applying under Government Code § 56133; and no public entity has undertaken the enforcement this action seeks. The Coalition alleges a beneficial interest through its affected members and also invokes the public-interest exception to the beneficial-interest requirement for traditional mandate. (*Save the Plastic Bag Coalition v. City of Manhattan Beach* (2011) 52 Cal.4th 155, 166-170.)

24. Respondent and Defendant IMPERIAL IRRIGATION DISTRICT ("IID") is a California irrigation district organized and existing under the California Irrigation District Law (Water Code §§ 20500 et seq.), with its office in Riverside County at 81600 Avenue 58, La Quinta, CA 92253, and its principal offices in Imperial County at 333 East Barioni Boulevard, Imperial, California 92251.

25. IID's La Quinta office is not incidental: IID owns, staffs, and operates it year-round as the administrative seat of its Coachella Valley electric operations, and IID's

Board of Directors regularly convenes the district's public board meetings there, taking public comment from Riverside County residents and transacting the district's general business in Riverside County. IID is thus physically situated, maintains an office, and conducts a substantial part of its governance in Riverside County, although its jurisdictional boundary as an irrigation district lies entirely within Imperial County. IID is a "district" within the meaning of Government Code § 56133 and a "local government" within the meaning of article XIII C, section 1(b) of the California Constitution and is subject to the restrictions of Proposition 26.

26. IID's jurisdictional boundaries lie entirely within Imperial County and comprise approximately 1.06 million acres. (EXHIBIT 10.) IID provides retail electric service across an electric service territory of approximately 4.14 million acres, four times its statutory jurisdiction, and includes La Quinta, Indio, Coachella, Thermal, Mecca, Bermuda Dunes, Thousand Palms, Sky Valley, and unincorporated areas of the Coachella Valley in Riverside County, where the majority of its retail electric customers are located. (EXHIBIT 11.)

JURISDICTION AND VENUE

27. This Court has subject-matter jurisdiction pursuant to article VI, section 10 of the California Constitution and Code of Civil Procedure sections 1085, 1060, and 526. Petitioner seeks traditional mandate compelling IID, a local governmental agency, to comply prospectively with the California Constitution and the statutory limitations governing its extraterritorial electric operations, together with declaratory and ancillary injunctive relief concerning IID's continuing and future collection of the challenged charges from Riverside County ratepayers. This action seeks no review, reversal, or modification of any decision or order of the Public Utilities Commission; it enforces constitutional and statutory limitations that no Commission order addresses.

28. Venue is proper in Riverside County under Code of Civil Procedure sections 393 and 395 because a substantial part of the cause of action arose, and the challenged governmental conduct has its operative effect, in Riverside County. IID maintains, staffs, and operates its Coachella Valley electric-service office at 81600 Avenue 58, La Quinta,

California 92253; administers substantial portions of its Riverside County electric operations from within the County; conducts public meetings and governmental business in Riverside County; and provides retail electric service to approximately 101,574 meters located there. The challenged rate increases and surcharge exactions are imposed, billed, collected, and paid in Riverside County by the ratepayers whose constitutional rights are asserted in this action. The alleged injury therefore occurs in Riverside County each time IID bills and collects the challenged charges from those customers. IID is thus situated in Riverside County within the meaning of Code of Civil Procedure section 394.

29. The conduct challenged here is not limited to the Board's original adoption of the rate schedule: IID's continuing implementation, collection, construction of extraterritorial facilities, execution and performance of Riverside County cost-sharing arrangements, and extension of electric service all occur, in substantial part, within Riverside County. Accordingly, both the affected territory and a substantial part of the acts, effects, and injuries giving rise to this action are situated in Riverside County.

30. No administrative remedy must be exhausted before adjudication of the claims pleaded here. Article XIII C is a self-executing constitutional limitation on local government and places upon IID the burden of establishing that the challenged charges are not taxes and satisfy the constitutional requirements governing reasonable cost and allocation. Petitioner nevertheless presented the substance of these claims directly to IID's Board of Directors and counsel before filing suit, requested the documents and approvals on which IID's asserted authority and rate justification depend, and afforded IID an opportunity to address and cure the alleged violations. IID identified no Riverside LAFCO approval under Government Code section 56133 for the post-cutoff expansion alleged herein, no Commission approval under Public Utilities Code section 9607 for that expansion, no State Treasurer order making the 1994 service-area extension effective under former Public Utilities Code section 8105, and no geographic cost-of-service allocation supporting the challenged charges as applied to Riverside County ratepayers.

31. The issues presented are therefore ripe and concrete and principally concern the interpretation and application of constitutional and statutory limitations to IID's present and continuing conduct. Traditional mandate under Code of Civil Procedure section 1085 is an appropriate remedy.

I - GOVERNMENT CODE § 56133: THE ANNEXATION CHECKPOINT IID HAS EVADED SINCE 1994

A. The 1993 Enactment: Service Outside the Boundary "Only If" Approved, and Only on the Path to Annexation.

32. On October 11, 1993, three days before IID's last dually approved term expired, the Legislature enacted Assembly Bill 1335, Chapter 1307 of the Statutes of 1993, adding Government Code § 56133, operative July 1, 1994. (EXHIBIT 1.) The section provided:

> "A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries ***only if it first requests and receives written approval*** from the commission in the affected county. The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in ***anticipation of a later change of organization***. . . . shall not apply to an extended service that a city or district was providing on January 1, 1993."

33. "New or extended services" is broad. It covers initiating service to premises that were not previously served and expanding existing extraterritorial service (*e.g*., connecting new residential developments, commercial loads, or additional meters in areas already partially served). LAFCO practice and cases treat connecting new customers or constructing facilities to serve growth as "extended" service. Providing, or continuing to expand, retail electric service in the Coachella Valley, is classic extraterritorial service. Adding new meters to serve post-1994/2001 growth, new residential communities, commercial development, and constructing the distribution facilities needed to serve them, falls squarely within "new or extended services."

34. Government Code § 56133 provides that LAFCO "may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization" – that is, ***in anticipation of annexation***. Ordinary extraterritorial service is thus permitted only within a sphere of influence and only as a ***transitional step toward annexation***.

35. The sphere of influence is the Act's planning tool that anticipates future annexation, and the Act's purposes confirm that the Legislative ***preference for annexation*** over indefinite extraterritorial service is the statutory design. Government Code § 56001 (Legislative findings) states the overarching policy: "…this policy should be effected by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or ***through the expansion of, the boundaries of those local agencies*** which can best accommodate and provide necessary governmental services…" This is the foundational preference for growth under § 56133, through boundary expansion (annexation) rather than permanent extraterritorial service.

36. The statute was enacted in 1993 (operative July 1, 1994) precisely to close the loophole of districts using contracts to expand services outside their boundaries without LAFCO review or annexation. The legislative history records the concern "that some local agencies circumvent the Legislature's intent by merely signing contracts to serve outside their boundaries without ever changing their boundaries. [¶] Assembly Bill [No.] 1335 requires cities and districts to first obtain LAFCO approval before they can contract or agree to provide new or extended services outside their boundaries. . . ." (*Community Water Coalition v. Santa Cruz County LAFCO* (2011) 200 Cal.App.4th 1317, 1326; quoting legislative history of § 56133.) The Legislative purpose is to prevent local agencies from using contracts to expand urban services without LAFCO review or annexation.

37. The federal court in *Modesto* read the enactment the same way: § 56133 "plugged [the] loophole" that had allowed agencies to circumvent the LAFCO process. (*Modesto Irrigation Dist. v. Pacific Gas & Elec. Co.* (N.D. Cal. 2004) 309 F.Supp.2d 1156, 1166; holding that Water Code provisions authorizing irrigation districts to sell power outside boundaries do not override § 56133).

38. The Legislature enacted § 56133 to close precisely the practice at issue where IID expanded services, outside its jurisdictional boundaries, without prior LAFCO approval. From July 1, 1994 forward, every new electric service by IID in Riverside County required Riverside LAFCO's prior written approval. See Gov. Code § 56133 ("only if it first requests and receives written approval.")

B. The 2001 Reenactment of § 56133 Continued the Preference for Annexation.

39. The Cortese-Knox-Hertzberg Act of 2000 repealed and reenacted § 56133, effective January 1, 2001, the same day that Public Utilities Code § 9607 became effective. The reenacted Government Code § 56133, subdivision (a), continued the county-level approval requirement in its current form. It provides: "A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary ***only if it first requests and receives written approval*** from the commission of the county in which the affected territory is located." (EXHIBIT 2.) The 2001 reenactment likewise provided in subdivision (b) that the commission's authorization outside the boundary "but within its sphere of influence ***in anticipation of a later change of organization***" preserving the annexation design unchanged. (Gov. Code § 56133, subd. (b).)

40. Gov. Code § 56133, subd.(b) allows approval within the sphere of influence "in anticipation of a later change of organization" (*i.e.*, annexation). ***The required path is annexation*** rather than indefinite extraterritorial service. Outside the sphere of influence, approval is limited to documented health/safety threats (§ 56133, subd. (c)).

41. Government Code § 56133, subdivision (e)(4), exempts an "extended service that a city or district was providing on or before January 1, 2001." The exemption preserves service existing as of the statutory cutoff but does not extend to new premises first connected after January 1, 2001 as part of IID's post-2001 expansion.

42. Government Code § 56133, subdivision (e)(5), exempts "electric services that do not involve the acquisition, construction, or installation of electric distribution facilities... outside of the utility's jurisdictional boundary." If IID is installing or acquiring poles, lines, transformers, substations, or other distribution facilities in Riverside County to serve new load, this exemption does not apply. IID's post-2001 construction of substations and other distribution facilities outside its jurisdictional boundaries fall outside that exemption and required Riverside LAFCO approval.

43. The statute looks at services, not at some pre-existing claim of exclusive territory. Any new or extended retail electric service (including adding meters to previously unserved or newly developed premises) by IID within Riverside County requires Riverside LAFCO written approval unless one of the narrow statutory exemptions applies.

44. The two grandfather clauses protect only the service that already existed on the cutoff date, not subsequent expansion. The two exemptions do not permit IID to continue expanding forever by adding new meters, new subdivisions, or new facilities after the cutoff. Later extensions to new premises are still "new or extended" services requiring approval.

45. The fact that IID has been serving parts of the Coachella Valley for decades does not authorize new meters, new subdivisions, or new distribution facilities after the effective dates of § 56133 (July 1, 1994, and the 2001 reenactment). Each new extension is a separate act that requires approval from Riverside LAFCO.

C. The Approval Required by § 56133 is a Limitation on IID's Power.

46. Irrigation districts are "State agencies formed and existing for governmental purposes." (Wat. Code, § 20570.) An irrigation district is a creature of statute and has only the powers the law gives it, and anything it does beyond those powers is not merely voidable but void from the start. (*G.L. Mezzetta, Inc. v. City of American Canyon* (2000) 78 Cal.App.4th 1087, 1092-1094.) A general power never excuses compliance with the specific conditions on using it. The conditions are the measure of the power.

47. Water Code §§ 22115 and 22120 give irrigation districts a general power to sell surplus power and serve areas outside their boundaries. But the Legislature attached specific conditions to IID's exercise of that power outside its jurisdiction in the Coachella Valley, requiring advance approvals from LAFCO under Government Code § 56133.

48. An irrigation district cannot rely on general statutory power to sell electricity outside its boundaries (or on old service-area agreements) to avoid § 56133 when it expands service or constructs facilities. "Water Code § 22120 and § 56133 can - and do - coexist easily; the former does not permit Modesto Irrigation District to ignore the terms of the latter." (*Modesto Irrig. Dist. v. Pacific Gas & Elec. Co.*, *supra*, 309 F.Supp.2d at p. 1168.)

49. Government Code § 56133 permits extraterritorial service only after the district requests and receives written LAFCO approval. California decisions recognize § 56133 as a limitation on the power of cities and districts to extend services beyond their boundaries.

(A). "Gov. Code § 56133 prohibits an agency from providing such services 'outside its jurisdictional boundary' without permission from the LAFCO . . . no such LAFCO approval had been sought or obtained. In the absence of these necessary approvals, the project . . . ***was unlawful***." (*Attard v. Bd. of Super. Contra Costa County* (2017) 14 Cal. App. 5th 1066, 1078.)

(B). Services outside jurisdictional boundaries "required LAFCO approval of both the City's application for the SOI amendment and . . . approval of its agreement with the City for extraterritorial water and sewer services . . ." (*Habitat & Watershed Caretakers v. City of Santa Cruz* (2013) 213 Cal.App.4th 1277, 1283.)

(C). "Section 56133, subdivision (a) was and is a limitation upon the power of cities and districts to expand urban services beyond their borders." (*Community Water Coalition v. Santa Cruz County LAFCO* (2011) 200 Cal.App.4th 1317, 1327.)

(D). A federal court applying California law likewise concluded that Gov. Code § 56133 "precludes public entities like MID from extending areas of service beyond existing boundaries absent prior LAFCO approval." (*Modesto Irrigation Dist. v. Pacific Gas & Elec. Co.*, *supra*, 309 F.Supp.2d at p. 1166.) "MID is required to seek LAFCO approval for new or extended services outside its jurisdictional boundaries." (*Id*. at 1167.)

50. In *South San Joaquin Irrigation Dist. v. Superior Court* (2008) 162 Cal.App.4th 146, an irrigation district already selling wholesale electricity was required to obtain LAFCO approval before expanding into retail electric service, and the court rejected the district's argument that Water Code § 22115's general grant of electric power excused the approval requirement, observing that "[s]ection 56133 requires LAFCO approval for a special district to provide new or extended services outside its jurisdictional boundaries." (*Id*. at pp. 153, 156-158.) South San Joaquin Irrigation District needed LAFCO approval

merely to change the class of electric service it provided inside its own boundaries; IID has extended retail electric service outside its boundaries for three decades without ever applying to Riverside LAFCO for approval.

51. No California decision has held that once a district is providing any service in a general area, further expansion by adding new meters or facilities is automatically exempt. The cases treat each expansion as "new or extended" services requiring approval.

52. The required LAFCO approvals are not procedural formalities; they are limitations on IID's substantive power. Subdivision (a)'s "only if" language is a condition precedent: without the approval, IID has no power to provide the service outside its territory. Because IID proceeded without the approval from Riverside LAFCO which § 56133 required, it was without power, and its post-1994 expansions are "unlawful." (*Attard v. Bd. of Super. Contra Costa County*, *supra*, 14 Cal. App. 5th at p. 1078.) Going forward, any new service connections or distribution facilities in Riverside County without Riverside LAFCO approval (or annexation) are likewise beyond IID's power and unlawful.

D. In 2006, IID Rejected Riverside LAFCO's Annexation Request.

53. Nearly two decades ago, in 2006, as part of the mandatory sphere-of-influence reviews, Riverside LAFCO conducted a Sphere of Influence Review and Potential Amendments for the Imperial Irrigation District. Riverside LAFCO reviewed IID's sphere of influence in LAFCO 2006-61-4, and noted that "LAFCO staff has been under the assumption that IID's service boundaries extend into the County of Riverside" but "there appears to be no records that IID formally annexed the southern Coachella Valley into its service area. Also, there are no records that IID's sphere of influence was established in the mid-eighties as required by state mandate at that time." (EXHIBIT 3.) The report recommended that IID submit an annexation application:

> "Since the majority of IID's service population for electricity is within the County of Riverside, staff recommends the District's sphere of influence be established to include its service area as depicted on the attached exhibit. In addition, staff ***recommends IID formally submit an annexation application***

to include the area established as its sphere of influence allowing for a coterminous sphere. This would ***allow the registered voters within the County of Riverside to participate in IID's elections***. Currently, customers within Riverside County are not represented by IID's board of directors. Each board member is responsible for a division, none of which includes registered voters within the County of Riverside." (EXHIBIT 3.)

54. The purpose of the recommended annexation, as the staff report explained, was to allow Riverside County voters to participate in IID elections because Riverside customers were "not represented by IID's board of directors." Acting on that recommendation, Riverside LAFCO adopted Resolution No. 28-07 on February 22, 2007, establishing IID's sphere of influence, finding that "[t]he District's boundaries do not extend into the County of Riverside," and removing any financial obstacle for IID's compliance by approving "a fee waiver for the annexation of the sphere of influence area as established by the Commission to Imperial Irrigation District." (EXHIBIT 3.)

55. Riverside LAFCO did not merely invite annexation; it waived the fees. In establishing the sphere of influence and inviting the annexation application, Riverside LAFCO performed LAFCO's half of § 56133(b)'s design, the sphere that anticipates the change of organization. IID then refused the annexation the sphere of influence anticipated.

56. IID rejected the recommendation to annex. In a letter dated December 12, 2006, IID stated that it "sees no reason why its Riverside County service area boundary needs to be amended or changed." (EXHIBIT 4.)

57. Riverside LAFCO formally flagged the issue, recommended annexation, and waived fees. The 2006–2007 Riverside LAFCO actions constitute an official, documented ***invitation to regularize IID's extraterritorial electric service through annexation***. IID declined and instead chose to continue expanding service without formal boundary change or Riverside LAFCO approval as mandated by § 56133.

E. In 2023, IID Again Rejected Riverside LAFCO's Annexation Request.

58. Seventeen years later, IID refused again to annex the area, and this time it said why. IID's August 30, 2023 comment letter in response to the 2023 Alternative Governance and Electricity Services Study jointly commissioned by the Riverside and Imperial LAFCOs, opposed annexation of the Coachella Valley electrical service area as "unrealistic" given IID's "water entitlement priority," and objected that

> "[t]he population differences between the Coachella Valley Service Area and the IID jurisdictional boundary would ***likely allow the Coachella area voters to elect a significant majority of a single governing board***." (EXHIBIT 5.)

The letter was signed by all five members of IID's Board of Directors: President Alex Cardenas, Vice President JB Hamby, and Directors Gina Dockstader, Karin Eugenio, and Javier Gonzalez. Four of them – Alex Cardenas, JB Hamby, Gina Dockstader, and Karin Eugenio – serve on the Board presently, with terms extending into 2028 and 2030.

59. IID's 2023 letter confirms that annexation would materially alter the composition of its electorate because the Coachella Valley service population is larger than the population within IID's Imperial County jurisdictional boundary. The letter therefore underscores the present disconnect between Riverside County and the statutory electorate that selects the Board setting their electric rates. The ratepayers who supply most of IID's electric revenue would, if given the vote, control the board that sets their rates, and ***IID preferred to keep setting their rates without giving Riverside County any vote***.

60. Seventeen months after refusing its customers the vote, the Board imposed on them the first step of a ***rate increase of 69 percent, rising to 109 percent by 2027***. Taxation without representation is IID's stated position, in its own letter, signed by all five directors.

61. IID's failure to annex as mandated by its extraterritorial growth is self-inflicted. Over the past three decades, IID has had, and refused, every opportunity to establish lawful authority and to enfranchise the customers it charges: IID has never once applied to Riverside LAFCO under Government Code § 56133 since the requirement took effect on July 1, 1994; IID declined Riverside LAFCO's 2006 annexation invitation even after

Riverside LAFCO waived the fees; IID refused annexation again in 2023, objecting that its Riverside customers would out-vote its in-district electorate; IID never sought the State Treasurer's order in 1994 as mandated by § 8105; IID never once applied to the Commission as mandated by Public Utilities Code § 9607 since it took effect in 2001; and in 2026, IID declined Petitioner's pre-litigation request to meet and discuss a cure.

62. The Legislature enacted the LAFCO-approval requirement the very month IID's authority lapsed in 1994, and IID has ignored it from the day it took effect. The 60,000-meter refusals expansion without complying with the law was a choice by IID to continue collecting escalating charges from ratepayers to whom IID would not give a vote and for whom it would not obtain the approvals the law requires. ***Every mechanism of local oversight has been refused, defeated, or ignored by IID***. Whatever burden compliance now imposes on IID is entirely of IID's own making.

F. Practical Annexation Pathways Are Available With a Corporate Separation.

63. Full annexation of the Coachella Valley into IID is legally available but politically rejected by IID because it would transfer control of Colorado River water rights to Riverside County voters. (See EXHIBIT 5 [citing IID's "water entitlement priority"].) However, lawful mechanisms exist to address the territorial and governance issues and still allow IID to retain control over water rights in Imperial County.

64. One possible approach is separation of IID's irrigation and electric functions into distinct legal entities. The IID would remain as is and regulate irrigation. The corporate separation would create a distinct public entity for electric services (***River/Imperial Power Authority***) whose boundaries encompass IID's electric customers in both counties:

(A). The irrigation entity would retain core support departments (finance and accounting, facilities, mechanical services) and would charge the power entity for the services it uses on an arm's-length basis.

(B). Existing IID employees engaged in electric operations would transfer to the new power entity, minimizing operational disruption.

(C). Electrical assets and related liabilities would be allocated to the power entity, expanding the rate base to those customers who have paid for the electrical system and removing any risk of stranded assets for Imperial County ratepayers.

(D). The power entity would become a distinct local government serving both the Coachella Valley and Imperial County electric customers, with expanded governmental boundaries covering both counties.

65. The separation would eliminate the need for traditional LAFCO annexation of the Coachella Valley service area into IID's existing water-district boundaries while simultaneously ***providing Riverside County ratepayers an electoral voice*** in the governance of the entity that sets their electric rates.

66. The Coalition does not seek an order compelling any particular reorganization. The potential mechanisms are alleged only to show that governance arrangements exist to satisfy all parties, and that prospective relief need not require interruption of service to existing customers.

G. The Joint Powers Agreements Do Not Immunize IID from § 56133.

67. A joint exercise of powers agreement is a contract among public agencies. (Gov. Code, § 6502.) Section 56133, subdivision (a), reaches new or extended services provided "by contract or agreement outside its jurisdictional boundary." Nothing in § 56133 exempts joint powers agreements from the approval requirement. Through the Indio Electric Financing Authority and the Coachella Electric Financing Authority, IID has agreed to construct, operate, and maintain new substations and related distribution infrastructure to serve new customers and new developments outside its jurisdictional boundary.

68. Agreements that initiate service to new premises and construct electric distribution facilities outside the boundary are "new or extended services by contract or agreement" and fall outside the exemption under subdivision (e)(5) by definition. The joint powers agreements finance and construct new substations and distribution facilities to serve new load and new premises, the very activity for which subdivision (e)(5) preserves the approval requirement.

69. IID's present Coachella Valley expansion is, on IID's own public descriptions, facilities-based and directed to new load and include the Thousand Palms substation, the Avenue 58 substation expansion in La Quinta, four Indio-area projects on which IID broke ground in January 2026, and substations financed through the joint-powers arrangements alleged below. These projects involve construction of distribution facilities outside IID's jurisdictional boundaries to serve new or expanded load. Petitioner has located no request for, or written approval from, Riverside LAFCO under Government Code § 56133 for these projects, and IID has produced none despite Petitioner's counsel's written request.

70. These joint-powers arrangements also supply no substitute authority for IID's presence in Riverside County: a city's consent "cannot itself permit [a district] to expand absent LAFCO preapproval," and the statute does not "sanction the kind of end-run bargain" a district and a willing city might craft. (*Modesto Irrigation Dist. v. Pacific Gas & Elec. Co., supra*, 309 F.Supp.2d at pp. 1168-1169.)

71. JPAs are additional "contracts or agreements" through which IID is extending or facilitating service outside its boundary. Several of them expressly involve construction of distribution facilities -- the precise activity that removes the electric-utility exemption in § 56133(e)(5). IID is actively expanding infrastructure and service commitments in Riverside County while continuing to refuse annexation or § 56133 applications.

72. Because the JPAs authorize or obligate IID to serve new customers/new developments, and construct new electric distribution facilities (substations, line extensions, transformers, etc.), and expand capacity to accommodate growth, the JPAs are subject to the same § 56133 requirement as any other service agreement.

73. Because the underlying service (or the expansion of service/construction of distribution facilities) is unauthorized under Government Code § 56133, IID's authority to charge rates for that unauthorized portion is defective. The power to set and collect rates follows the power to provide the service. Without lawful authority to serve, the rates rest on an ultra vires foundation. Expansion without boundary change (annexation) is the precise practice § 56133 closed: the joint powers agreements are not an exemption from the annexation checkpoint, they are an unlawful circumvention of it.

H. 60,000 Meters Since 1994: An Entire Imperial County of Unauthorized Load.

74. IID's system totals approximately 166,000 retail electric meters, of which 61 percent are in the Coachella Valley of Riverside County. Since July 1, 1994, when § 56133 took effect, IID has added approximately 60,000 electric customer accounts in Riverside County - approximately equal to IID's entire 64,000-meter count in Imperial County.

75. Since July 1, 1994, IID has connected, without a single Riverside LAFCO approval, without a single Commission approval under § 9607, and without annexation, 60,000 meters – approximately the size of the entire district the electorate controls.

76. On information and belief, that unauthorized growth contributed materially to the system stress, capacity shortfalls, and aging-infrastructure needs that IID itself has cited to justify the challenged multi-year rate increases and the associated capital program of approximately $1.3 billion. IID's customers in Imperial and in Riverside are being charged, in substantial part, to serve and reinforce an expansion the law never authorized.

II - PUBLIC UTILITIES CODE § 9607: A SECOND, INDEPENDENT BAR SINCE 2001

77. Effective January 1, 2001, Public Utilities Code § 9607 imposed a separate statutory approval requirement for new services by irrigation districts into the service territory of an electrical corporation. Public Utilities Code § 9607 was enacted as part of legislation "Restructuring of Publicly Owned Electric Utilities in Connection With the Restructuring of the Electrical Services Industry." (A.B. 2638, Stats. 2000, ch. 1042, eff. Jan. 1, 2001.) Public Utilities Code § 9607, subdivision (b) provides:

> ". . . an irrigation district that offered electrical service to retail customers as of January 1, 1999, ***may not*** construct, lease, acquire, install, or ***operate facilities*** for the distribution or transmission of ***electricity to retail customers*** located in the service territory of an electrical corporation providing electrical distribution services, unless the district has ***first applied for and received the approval of the commission*** and implements its service consistent with the commission's order." (EXHIBIT 6.)

78. Commission approval under § 9607 is not ministerial. The Commission shall approve the request only if, "after notice and hearing, the commission determines all of the following" seven matters enumerated in subdivisions (b)(1) through (b)(7), beginning with universal service to all retail customers who request service within the area to be served, at published tariff rates, on a just, reasonable, and nondiscriminatory basis.

79. Public Utilities Code § 9607, subd. (j), establishes a limited grandfather provision for "customers electrically connected to a district as of December 31, 2000, or to other customers who subsequently locate at the same premises." (EXHIBIT 6.) The exemption runs to customers and premises existing as of the statutory cutoff, and to later customers at those same premises, not to a geographic service territory. Each of the 50,000 new meters first connected by IID after January 1, 2001 required Commission approval.

80. Petitioner is unaware of any proceeding during the past quarter century in which the Commission made the findings required by § 9607 for IID's post-2000 expansion in Riverside County. IID continues to construct and operate distribution facilities in Riverside County and IID has never sought or obtained Public Utilities Commission approval under § 9607, subdivision (b), for the post-2001 expansion alleged herein.

81. A substantial portion of IID's present Riverside County retail load – including new residential subdivisions, commercial development, substations, circuits, and associated distribution facilities – consists of post-2000 service and infrastructure for which IID never obtained Commission approval under § 9607. These allegations are pleaded here as context for the constitutional Proposition 26 claim; the statutory § 9607 violations themselves are being pursued in a separate proceeding.

82. The three conjunctive conditions for § 9608 to apply are not satisfied. First, § 9608 is written in the present tense ("acquires") and was enacted in 2000 as part of AB 2638 and contemplates a contemporary transaction in which the irrigation district takes over the facilities and the service obligation. The 1943 purchase does not meet the requirement of § 9608(a). Second, there is no post-2000 Commission decision approving a service-area agreement under §§ 8101–8108 that contains the mutual exclusive-service provisions required by § 9608(b) and that was entered in connection with an acquisition of substantially

all facilities. Third, there is no order post-2000 relieving Edison of its obligation to serve the territory as contemplated by § 9608(c). Because all three cumulative conditions the Legislature imposed in 2000 are not met, § 9608 does not apply.

83. Independent of every other defect alleged in this Petition, IID's post-2001 Riverside County expansion proceeded without the approval § 9607 requires. This does not depend on the status of the 1943-1993 service-area arrangement, or the lack of State Treasurer's approval in 1994, or on any contested reading of grandfather clauses: for twenty-five years, § 9607 has prohibited the facilities-based expansion IID carried out, and IID has never once applied. IID never invoked the one statutory mechanism that could have re-established its extraterritorial authority after 2000.

III - IID'S COMMISSION-APPROVED RIVERSIDE SERVICE-AREA LAPSED ON OCTOBER 14, 1993

84. IID entered the Coachella Valley by purchasing the local distribution assets of California Electric Power Company in 1943. The purchase conveyed physical plant and appurtenant property – not territory: the only two Riverside County franchises then in existence were expressly excepted and reserved to the seller, and no Riverside County franchise has ever been conveyed to IID. What IID received as to Riverside County was a 25-year service-area arrangement, effective only upon matching orders of two state agencies – the Public Utilities Commission as to the utility, and the State Treasurer as to IID. The dual-approval requirement was codified in former Public Utilities Code § 8105:

> "any such order of the Public Utilities Commission ***shall not be effective until the State Treasurer has issued its order*** limiting the area to be . . . served . . . by the irrigation district." (EXHIBIT 12.)

85. The matching orders were obtained for the 1943 original term, the five amendments, the second 25-year term expiring October 14, 1993, and the 1980 territory transfer. On April 6, 1994, the Public Utilities Commission issued Decision No. 94-04-010, purporting to approve a third 25-year extension between IID and Edison. (EXHIBIT 13.) The decision addresses Edison's side of the boundary restriction but identifies no corresponding State Treasurer's order approving IID's side, unlike the prior approvals.

86. Decision No. 94-04-010 identifies no State Treasurer order, and Petitioner has located none. Petitioner therefore alleges, on information and belief, that no order of the State Treasurer approving the 1992 Service Area Boundary Agreement was sought or issued and that Decision No. 94-04-010 never became effective. IID's last effective, dual-approved service-area arrangement for the Coachella Valley expired on October 14, 1993.

87. Nothing thereafter cured the defect, former § 8105 remained in force until January 1, 1997, and the statute's later repeal did not retroactively supply an approval that was a condition of effectiveness when Decision No. 94-04-010 issued. (Former Public Utilities Code § 8105 ["any such order of the Public Utilities Commission shall not be effective until the State Treasurer has issued its order limiting the area to be ... served ..."].)

88. Petitioner pleads this expiration as an additional, independent defect in IID's service authority. The Government Code § 56133 violations stand regardless of the lack of any Treasurer's order. Also, Public Utilities Code § 9607 remained effective and barred post-2000 facilities-based expansion to new premises without Commission approval, and Government Code § 56133 still conditioned post-1994 new or extended services on Riverside LAFCO approval granted in anticipation of annexation. The defective boundary agreement does not confer governmental service authority, and it exempts IID from nothing.

89. Even on IID's own auto-extension theory, the third 25-year term Decision No. 94-04-010 purported to approve would have ended on October 14, 2018, and despite Petitioner's targeted requests IID has identified no agreement, application, decision, or order extending the service-area regime beyond that date.

IV - THE RATE INCREASES AND A STUDY THAT NEVER LOOKED

A. The NewGen Study Contains No Geographic Cost Allocation.

90. On January 21, 2025, the IID Board of Directors voted to approve multi-year power rate increases. The first increase took effect on February 1, 2025, with additional increases scheduled for 2026 and 2027. The Board's rate action was supported by the NewGen Strategies Electric Cost of Service and Rate Design Study dated November 25, 2024 (the "NewGen Study"). (EXHIBIT 14; Executive Summary only; full study appears at https://www.iid.com/home/showpublisheddocument/22707/638697241204600000.)

91. IID described the increases as necessary to fund infrastructure improvements, maintain financial stability, and cover rising costs. Under the adopted rates, the residential ***base energy rate rose 69 percent in 2025 alone*** (from 11.69¢ to 19.76¢ per kilowatt-hour) and ***by 2027 the cumulative increase reaches 109 percent*** (24.38¢ per kilowatt-hour).

92. The NewGen Study contains no geographic cost allocation between Imperial County and Riverside County, and IID did not publicly disclose the geographic location of the capital projects driving the increases. No component of the adopted rate structure differentiates between customers inside IID's jurisdictional boundaries in Imperial County and customers outside those boundaries in Riverside County.

93. The NewGen Study nowhere mentions Public Utilities Code § 9607, Government Code § 56133, or the expiration of IID's Commission-approved service-area protection. The Study assumes, without analysis, that IID possesses full and continuing authority to serve customers, construct facilities, and recover costs throughout its claimed electric service territory.

94. Because the NewGen Study contains no geographic analysis of the portion of system costs allocated to Riverside County ratepayers, it does not itself demonstrate that those charges do not exceed the reasonable costs attributable to serving those ratepayers or that the allocation bears a fair or reasonable relationship to their burdens and benefits. On the present record, IID cannot carry its article XIII C, section 1(e) burden as to the challenged Riverside County charges.

95. Because the rate increase is designed to recover the capital or operating costs of new substations, line extensions, transformers, or other facilities built to serve post-cutoff growth in Riverside County, ***those rates are charging customers for facilities and service that were never properly authorized***. That makes the rate increase itself legally defective as applied to the unauthorized portion of the system.

96. Additionally, Gov. Code § 56133 is a limitation on the district's power. When IID provides "new or extended services" or constructs electric distribution facilities outside its jurisdictional boundary without Riverside LAFCO approval, those acts are beyond its statutory authority. IID cannot lawfully charge for a service it has no power to provide.

97. Costs attributable to the approximately 60,000 post-cutoff meters and the distribution facilities constructed to serve them cannot qualify as "reasonable costs" of a governmental activity that IID was authorized to undertake. Recovering those costs through systemwide rates imposed on Riverside customers ***converts the rate increase into a tax***.

B. IID Never Disclosed the Location of the $1.3 Billion Capital Program.

98. The NewGen Study states that the capital needs outlined in IID's Electric Utility Capital Improvement Plan total $1.3 billion of IID-funded capital during the study period, and that rate increases are necessary to fund those capital improvements.

99. Critically, IID never released to the public any capital improvement plan, project list, map, or other document identifying the geographic location of the $1.3 billion in improvements to be funded by the rate increases. Neither the Board materials presented on January 21, 2025, nor the NewGen Study, nor any subsequent public disclosure identified which projects would be constructed in Imperial County, which would be constructed in Riverside County, or how the costs would be allocated between the two counties.

100. Petitioner alleges, on information and belief, that a substantial majority – about 80 percent – of the large capital projects funded through the rate increases are located in Imperial County and disproportionately benefit IID's in-boundary territory. At the same time, Riverside County growth infrastructure is separately and additionally funded through local surcharges and joint-powers cost-sharing arrangements, as alleged below.

101. Riverside County ratepayers, who constitute a majority of IID's electric customers and electric revenue, were therefore not provided information showing whether the challenged charges bear a fair or reasonable relationship to the costs and benefits attributable to them, including whether the increases fund improvements that disproportionately benefit Imperial County or unauthorized expansion in Riverside County. IID cannot satisfy its article XIII C burden without a cost basis capable of supporting the allocation imposed on Riverside County ratepayers.

C. The Study Also Never Identifies the Unlawful Load.

102. The NewGen Study rate-bases IID's entire system – all approximately 166,000 meters and the facilities serving them - without ever asking which portion of that load and infrastructure IID was lawfully authorized to add. Approximately 60,000 Riverside County meters, and the substations, circuits, and related distribution facilities serving them, were added without the approvals Government Code § 56133 and Public Utilities Code § 9607 required.

103. A cost-of-service analysis cannot transform unauthorized costs into authorized ones, and IID cannot carry its constitutional burden by ***averaging unauthorized costs into a system-wide revenue*** requirement.

104. Because a material portion of the load and infrastructure underlying the Study consists of unauthorized expansion – approximately the size of the entire in-boundary district – the Study cannot demonstrate that the challenged rates recover only the reasonable costs of service IID was lawfully authorized to provide. Receipt of electricity does not supply the missing authority: IID cannot bootstrap power by delivering an unauthorized service and then charging for it.

D. Even If IID Had Authority, the Increases Are Still a Tax: IID Cannot Prove Fair Allocation with a Study That Never Looked.

105. Proposition 26 asks two separate questions, and the agency must answer both: did it collect more than its total reasonable costs, and did it divide those costs fairly among the people who pay? (*City of San Buenaventura v. United Water Conservation Dist*. (2017) 3 Cal.5th 1191, 1209-1214.) An agency can pass the first test and still fail the second. (*Howard Jarvis Taxpayers Assn. v. Coachella Valley Water Dist*. (2025) 116 Cal.App.5th 520 [charges struck down where the agency did not justify how costs were divided among distinct areas]; *Newhall County Water Dist. v. Castaic Lake Water Agency* (2016) 243 Cal.App.4th 1430, 1441-1449 [rates fail where they charge a payor for service the payor does not receive].)

106. The NewGen Study never asks the question this case turns on. It divides costs among customer classes, but never between the county inside IID's boundaries and the county outside them – even though the outside county holds the majority of meters and pays the majority of revenue, and even though IID has never disclosed where its $1.3 billion in capital projects will be built. When a distinct group of payors – a different county, with different capital needs, no vote, and a separately surcharged growth program – challenges its allocation, the agency must justify that allocation. A study that is silent on the divide cannot. And the burden never shifts to Petitioner to compute the exact subsidy: whatever Riverside County ratepayers pay beyond the reasonable cost of serving them is a tax. (*Citizens for Fair REU Rates v. City of Redding* (2018) 6 Cal.5th 1, 15-17.)

107. IID's responses to Petitioner's counsel lean on cases approving system-wide rate-making for large integrated utilities. In each case, the agency lawfully served everyone in the pool and its study actually demonstrated cost causation across the challenged classes. Neither is true here. Through the Indio and Coachella financing authorities, IID happily separates costs by geography when separation raises money – "growth pays for growth" – but calls separation impossible when it would expose the subsidy.

E. The Majority of IID's Ratepayers (61%) Reside Outside Its Boundaries and Cannot Vote for the IID Board.

108. IID's jurisdictional boundaries as an irrigation district lie entirely within Imperial County. Its claimed retail electric service territory extends far beyond those boundaries into the Coachella Valley of Riverside County, including the cities of Indio, Coachella, and La Quinta, portions of Palm Desert and Rancho Mirage, and surrounding unincorporated communities.

109. On information and belief, and consistent with public statements by IID directors and other public materials identified in the exhibits, approximately sixty-one percent (61%) of IID's approximately 166,000 retail electric meters, or 101,574 meters, are located in the Coachella Valley outside IID's jurisdictional boundaries. Riverside County customers account for a majority of IID's retail electric sales and revenue.

110. Under the Irrigation District Law, IID's electorate is confined to registered voters residing within its Imperial County boundaries. Riverside County residents who receive electric service from IID cannot vote for the IID Board of Directors.

111. Accordingly, if the challenged charges require voter approval under article XIII C, an election conducted within IID's statutory electorate would be limited to registered voters residing within IID's Imperial County boundaries, while Riverside County customers bearing a majority of the charges could not vote.

112. An election confined to Imperial County voters would ***institutionalize taxation without representation*** and would not provide Riverside County ratepayers the voter-approval protection required by article XIII C. That disenfranchisement is not an accident of geography; ***it is a condition IID has twice chosen to preserve, refusing annexation in 2007 and again in 2023*** precisely because its Riverside County customers would "elect a significant majority" of its board. (EXHIBITS 3-5.) Petitioner therefore seeks prospective relief declaring the challenged increases invalid as applied to Riverside County ratepayers unless IID can establish a constitutional basis for the charges, together with lawful resolution of service authority and an adequate cost-of-service allocation.

V - CHARGES THAT FUND AN UNAUTHORIZED OPERATION ARE TAXES

113. Article XIII C, section 1(e) of the California Constitution broadly defines a "tax" as "any levy, charge, or exaction of any kind imposed by a local government," subject only to seven enumerated exceptions. The exception principally implicated here is subdivision (e)(2), for a charge "imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the ***reasonable costs to the local government of providing the service*** or product."

114. Electric rates imposed by a governmental utility fall within Proposition 26's presumptive definition of a tax unless the governmental utility establishes an applicable exception. (*Boyd v. Central Coast Community Energy* (2023) 96 Cal.App.5th 136; *Citizens for Fair REU Rates v. City of Redding* (2018) 6 Cal.5th 1.)

115. The burden is IID's. Article XIII C expressly requires the local government to prove, by a preponderance of the evidence, that the challenged charge is not a tax, that the amount charged is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to the payor bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. (*Zolly v. City of Oakland* (2022) 13 Cal.5th 780; *City of San Buenaventura v. United Water Conservation Dist*. (2017) 3 Cal.5th 1191.)

116. IID cannot satisfy that burden merely by establishing that electricity was physically delivered to Riverside County customers. Substantial portions of the service, facilities, and capital infrastructure whose costs are included in IID's Riverside County rates were provided, constructed, acquired, installed, or operated outside IID's jurisdictional boundaries ***without the governmental approvals required by law***.

117. Expenditures incurred in activities beyond a local agency's statutory authority are not automatically established as "reasonable costs" of a qualifying governmental activity merely because the agency incurred them. California authority recognizes that an agency acts ultra vires when it exceeds the scope of its statutory authority. (*Water Replenishment Dist. of Southern California v. City of Cerritos* (2012) 202 Cal.App.4th 1063, 1072 ["[a]n agency that exceeds the scope of its statutory authority acts ultra vires and the act is void"].) IID bears the burden of establishing that the costs recovered from Riverside County ratepayers are reasonable costs of electric service and facilities it was lawfully authorized to provide, construct, and operate.

118. A substantial portion of the capital and operating costs recovered by the challenged rate increases is attributable to service connections and distribution facilities that IID added after the statutory cutoffs without the approvals required by Government Code § 56133 and Public Utilities Code § 9607. Approximately 60,000 meters -- the majority of IID's post-1994 growth in Riverside County -- fall into this category.

119. Because those meters and facilities were never lawfully authorized, the expenditures incurred to serve them are not "reasonable costs" of a qualifying governmental

activity under article XIII C, section 1(e)(2). IID therefore cannot carry its constitutional burden merely by showing that total system revenues approximate total system costs. ***Costs of an ultra vires expansion are not costs that may be recovered from ratepayers without voter approval***. (See *Water Replenishment Dist. of Southern California v. City of Cerritos* (2012) 202 Cal.App.4th 1063, 1072 [agency acts ultra vires when it exceeds the scope of its statutory authority and the act is void]; *G.L. Mezzetta, Inc. v. City of American Canyon* (2000) 78 Cal.App.4th 1087, 1092–1094.)

120. Proposition 26 imposes two separate requirements: aggregate revenues may not exceed the reasonable costs of the governmental activity, and the manner in which those costs are allocated among payors must independently bear a fair or reasonable relationship to their burdens on, or benefits received from, that activity. (*City of San Buenaventura v. United Water Conservation* Dist. (2017) 3 Cal.5th 1191.) A governmental utility therefore cannot establish compliance merely by showing that total systemwide electric revenues do not exceed total systemwide electric expenditures.

121. IID's challenged rate structure fails these requirements as applied to Riverside County ratepayers. IID's cost-of-service analysis does not geographically identify and allocate the costs of serving Riverside County customers separately from costs incurred within IID's Imperial County jurisdictional boundaries, notwithstanding material differences in territorial authority, infrastructure, capital expenditures, and separate cost-sharing arrangements. IID nevertheless imposes systemwide rates upon Riverside County customers to recover those aggregated costs.

122. IID bears the constitutional burden of establishing both that the expenditures included in the Riverside County rate base are reasonable costs of governmental activities IID was lawfully authorized to undertake and that its allocation of those costs to Riverside County ratepayers bears the fair or reasonable relationship required by article XIII C.

123. To the extent IID cannot carry that burden, the challenged charges do not fall within article XIII C, section 1(e)(2) or any other enumerated exception. They are taxes under Proposition 26 and, because they were imposed without the constitutionally required voter approval, are invalid.

124. Under Proposition 26, charges that fund an unauthorized operation are taxes. Article XIII C, section 1(e)(2) excepts from the definition of "tax" only a charge "imposed for a specific government service . . . provided directly to the payor" that "does not exceed the reasonable costs to the local government of providing the service." The exception assumes a lawful exchange: a service the agency is allowed to provide, for a charge limited to its cost. That assumption runs through the entire fee jurisprudence – a valid fee pays for the agency's permissible activities. (*California Farm Bureau Federation v. State Water Resources Control Bd.* (2011) 51 Cal.4th 421, 437-438.)

125. Substantial portions of IID's Riverside County services were provided, constructed, or operated without the statutory approvals required by law. An activity the agency has no power to conduct is not a "government service" under the exception, and its costs are not "reasonable costs of providing the service" to anyone. Proposition 26 was passed to close loopholes; its exceptions are read against the agency, which bears the burden on every element. (Cal. Const., art. XIII C, § 1, subd. (e), final par.; *City of San Buenaventura v. United Water Conservation Dist*. (2017) 3 Cal.5th 1191, 1209.) The opposite rule would be perverse: an agency that follows the law would be held to reasonable cost, while an agency that ignores it could charge whatever it likes.

126. Rates imposed to recover the costs of constructing and operating facilities that IID had no statutory authority to build or operate, and to fund service that IID had no lawful power to offer, are not charges for a "specific government service" within the meaning of article XIII C, section 1(e). ***They are taxes***.

127. Capital costs incurred to serve load that IID has no legal right to serve are not "reasonable costs of providing the service" to the payor; they are the costs of an unlawful enterprise. IID continues to bill Riverside County customers under the challenged rate structure each month. Each ongoing collection includes, in whole or in part, charges whose constitutional validity IID bears the burden to establish under article XIII C. Petitioner seeks prospective relief against those continuing and future collections, not recovery of past payments.

VI - THE LOCAL SURCHARGES: ADDITIONAL UNAPPROVED EXACTIONS ON RIVERSIDE COUNTY RATEPAYERS

128. Through the Indio Electric Financing Authority (formed with the City of Indio) and the Coachella Electric Financing Authority (formed with the City of Coachella), IID collects local surcharges on electric bills in those Riverside County cities to finance local substations and related infrastructure. The surcharges are additional levies that IID collects from Riverside County ratepayers on top of the challenged base-rate increases – imposed after, and in addition to, increases of 69 percent rising to 109 percent. They compound, and do not cure, the Proposition 26 defect in the underlying base rates.

129. A surcharge collected by a local government on its own utility bills is itself a "levy, charge, or exaction of any kind" within the meaning of article XIII C, section 1(e). Like the base rates, the surcharges are therefore taxes unless IID proves that an enumerated exception applies - including that each surcharge does not exceed the reasonable cost of a specific government service provided directly to the surcharged payors and that its allocation to them is fair and reasonable. No electorate has approved the surcharges, and IID has identified no cost-of-service analysis supporting them.

130. In or about June 2023, IID and the City of Indio formed the Indio Electric Financing Authority ("IEFA") under the Joint Exercise of Powers Act. The IEFA imposes a flat surcharge of $0.0055 per kilowatt-hour on electric bills inside the City of Indio.

131. The surcharge is collected by IID on its Riverside County bills and remitted to the IEFA to finance substations and related infrastructure within Indio, including the Avenue 42 Substation (approximately $12.1 million), the Avenue 40 Substation (approximately $19.8 million), the Northgate Substation (approximately $18.7 million), and the Carreon Substation expansion (approximately $18.7 million).

132. On March 17, 2026, IID's Board approved a Joint Exercise of Powers Agreement with the City of Coachella establishing the Coachella Electric Financing Authority ("CEFA"), modeled on the IEFA, to finance $42 million in electrical infrastructure within the City of Coachella through a similar surcharge mechanism collected by IID.

133. The result is that Riverside County ratepayers in the surcharged cities pay the challenged base-rate increases plus an additional per-kilowatt-hour exaction that no electorate approved and that IID has never shown to reflect the reasonable cost of any specific service provided to the surcharged payors. The additional exaction falls on the very customers already bearing the unapproved increases - a second unapproved charge stacked on the first. The local surcharges do not cure the Proposition 26 defect in the underlying system-wide base rates. Even if the surcharges were independently valid, the base rate increases remain an unconstitutional tax as applied to Riverside County ratepayers. Petitioner does not challenge the formation of the IEFA or the CEFA, the validity of any bonds, or any other matter subject to the validation statutes; Petitioner challenges IID's ongoing collection of the additional surcharge exactions without the voter approval or cost justification article XIII C requires.

VII - PROSPECTIVE RELIEF

A. Petitioner's Pre-Litigation Correspondence and IID's Responses.

134. Before filing this action, Petitioner presented these issues to IID's Board of Directors and counsel and requested the documents on which IID's asserted service authority and rate justification depend. IID produced no geographic cost-of-service allocation, no State Treasurer order supporting Decision No. 94-04-010, no Riverside LAFCO approval under Government Code § 56133, and no Commission approval under Public Utilities Code § 9607, subdivision (b), for the post-2001 expansion alleged herein.

135. By letter and email dated June 12, 2026, Petitioner's counsel advised IID's Board of Directors of the Proposition 26 defects in the 2025 rate increases as applied to Riverside County ratepayers and invited IID's response before litigation. On June 24, 2026, IID responded through counsel: (a) disclaimed the 1934 Agreement as the source of IID's Coachella Valley authority and instead relied on the 1943 asset acquisition; (b) asserted that systemwide ratemaking satisfies Proposition 26 without geographic allocation; (c) asserted a limitations defense under Water Code § 22651.5; and (d) identified no geographic cost-of-service allocation, State Treasurer order under former Public Utilities Code § 8105, Riverside LAFCO approval under Government Code § 56133, or Commission approval under Public Utilities Code § 9607 for the expansion alleged herein.

136. By letter and email dated July 20, 2026, Petitioner's counsel advised IID's Board and counsel that the 1943 acquisition conveyed no Riverside County franchise; that the 1994 extension never became effective because no Treasurer order had been identified under former § 8105; that IID's post-2001 service expansion required Riverside LAFCO approval under Government Code § 56133; and that IID's post-2001 service expansion required Commission approval under Public Utilities Code § 9607. (EXHIBIT 7.) The letter requested any renewal order, Treasurer order, and LAFCO approvals. IID produced none.

137. On July 29, 2026, IID responded through outside counsel by asserting that the November 24, 1992 agreement automatically extends its own term, and that each extension "***requires no application, no petition, no hearing, and no board action***." (EXHIBIT 8.) IID declined to produce or identify any Treasurer's order, asserting only that the request "comes three decades too late."

138. However, longstanding practice does not create authority. A public agency cannot gain a power by estoppel, acquiescence, or long practice that the law withholds. (*G.L. Mezzetta, Inc. v. City of American Canyon* (2000) 78 Cal.App.4th 1087, 1093-1094.) IID's response that the request for its authority over Riverside County "comes three decades too late" is a claim of prescription, and there is no prescriptive right to govern. Every monthly bill is a present exercise of the missing power, and mandate is the traditional remedy to stop ongoing collection of an unlawful charge. (Code Civ. Proc., § 1085; *Howard Jarvis Taxpayers Assn. v. City of La Habra* (2001) 25 Cal.4th 809, 821-825.)

139. By letter and email dated August 2, 2026, Petitioner's counsel again advised IID's Board of Directors of the Proposition 26 defects in the 2025 rate increases as applied to Riverside County ratepayers. (EXHIBIT 9.) The letter identified the defect in the 1994 approval and IID's refusal to produce the Treasurer's order required by former Public Utilities Code § 8105 and by the parties' own agreements, and it identified IID's failure to produce any record of compliance with Government Code § 56133 or Public Utilities Code § 9607 for its post-2001 expansion. The letter gave IID notice of each violation and requested a meeting to discuss an opportunity to cure. IID declined to address any of them. This action, and the parallel proceedings, followed.

140. Petitioner also pursued IID's records directly under the California Public Records Act. On June 27, 2026, Petitioner's counsel hand-delivered a request to IID's headquarters seeking, among other records, all extensions, renewals, amendments, or approvals of the 1943 acquisition rights through the present. On July 8, 2026, two further requests sought the records and data supporting the 2025 rate increases and IID's electric meter counts by county. IID acknowledged the requests on July 9, combined them on July 16, and stated it expected to have responsive records by August 13, 2026. (EXHIBIT 15.)

141. On July 20, 2026, to expedite matters, Petitioner's counsel narrowed the request to a single document: "any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018 [actually October 14, 2018], or confirm in writing that none exists." On July 31, 2026, IID closed the request, responding that it "is not obligated to certify negatives or create records," and produced no such document. In nearly two months, IID produced a single document – the 1992 Restated Agreement on which its auto-extension assertion rests - and produced no State Treasurer order, no Riverside LAFCO approval, no Commission approval under Public Utilities Code § 9607, and no instrument extending the service-area regime beyond October 14, 2018. On August 20, 2026, IID stated that it expected to provide records responsive to the remaining requests by September 24, 2026 - nearly three months after the first request. (EXHIBIT 15.)

142. IID sets and collects rates from 101,574 Riverside County meters. Asked formally, repeatedly, and finally for a single document establishing its authority to serve them – or a written statement that none exists – IID produced neither. IID's inability to produce any such record, despite targeted requests and ample time, supports the allegations of this Petition made on information and belief.

B. The Violations Are Continuing; This Action Seeks Prospective Relief.

143. IID's Riverside County expansion is ongoing and has become institutionalized through joint-powers and cost-sharing arrangements with Riverside County public entities relating to the construction of substations and distribution facilities. Those arrangements include the Indio Electric Financing Authority, the Coachella Electric Financing Authority, and the Coachella Valley Power Agency, together with local surcharges used to finance infrastructure.

144. IID's own directors have described the program publicly. On May 7, 2026, Director Alex Cardenas explained that cities "have entered into joint powers agreements with IID that include cost-sharing programs so that we can build substations and they can build homes," and that developers are "knocking on our door right now for an additional 500 megawatts." (EXHIBIT 16.) On May 14, 2026, Chairwoman Karin Eugenio described the surcharge as one that "allows them to buy their own substations and transformers in order to subsidize the growth they need." (EXHIBIT 17.)

145. None of the ongoing facilities-based expansion described above has received the approvals required by Public Utilities Code § 9607 or Government Code § 56133. IID's Riverside County customer base is therefore not merely static legacy load; IID continues to accept applications, extend facilities, construct infrastructure, and commence service for new customers at new premises outside its jurisdictional boundaries.

146. Each monthly bill under the challenged rate structure represents a new collection from Riverside County ratepayers. IID's duties under article XIII C are continuing duties implicated by present and future collections. Petitioner seeks prospective relief directed to those collections and to future rate steps, not refunds of past payments or invalidation of completed transactions.

147. This action seeks prospective relief against IID's present and future collection of charges alleged to violate article XIII C. Petitioner does not seek refunds or retrospective invalidation of past collections. Petitioner relies on *Howard Jarvis Taxpayers Assn. v. City of La Habra* (2001) 25 Cal.4th 809, 821-825 [continued imposition and collection of an unlawful tax is an ongoing violation on which the limitations period runs anew with each collection]. IID has invoked Water Code § 22651.5 as a limitations defense. A statute of limitations limits remedies for past collections, which Petitioner does not seek; it does not license the continuing collection of an unconstitutional tax into the future. The statutory violations are likewise continuing: each day of unapproved extraterritorial service, and each billing cycle that recovers its costs, is a present exercise of authority IID does not possess, against which prospective relief remains available.

148. Further, the third scheduled rate step is set to take effect in 2027 and has not yet been collected. Prospective relief directed to that future collection presents a current controversy. Separately, the Coachella Electric Financing Authority surcharge structure was approved on March 17, 2026; the surcharge exactions are recent impositions, timely challenged under any measure, and each monthly surcharge collection is a new exaction.

149. To the extent Water Code § 22651.5 is construed to bar all prospective relief against the continuing collection of charges alleged to violate article XIII C from Riverside County ratepayers who were not members of IID's electorate, such an application would unconstitutionally impair the self-executing protections of article XIII C and leave those ratepayers without a meaningful means of obtaining prospective relief. A limitations statute cannot be applied to nullify a self-executing constitutional right.

150. A study that assumes the unauthorized load and facilities are part of a lawful rate base simply compounds the ultra vires character of the rates. A cost-of-service analysis cannot transform unauthorized costs into authorized ones. The Constitution does not ask whether the customer obtained a physical benefit; it asks whether the local government has demonstrated that the charge recovers only the reasonable costs of a service it was authorized to provide. An agency cannot bootstrap authority by delivering an unauthorized service and then charging for it.

151. Because approximately 60,000 meters and the associated electric distribution facilities were added in Riverside County without the approvals required by Government Code § 56133 and Public Utilities Code § 9607, the capital and operating costs of serving that load are not "reasonable costs" of a governmental activity IID was authorized to undertake. Article XIII C, section 1(e)(2) therefore does not apply. The rate increases that recover those costs are taxes under section 1(e). No electorate that includes the Riverside County ratepayers who bear the majority of the burden has approved those taxes. The increases are therefore invalid as applied to Riverside County customers.

152. Unless and until IID either (1) annexes the territory or (2) obtains the required approvals under Government Code § 56133, no rate increase is lawful as applied to the approximately 60,000 post-cutoff meters.

153. The challenged increases recover the capital and operating costs of serving those meters and the facilities built to serve them. Because those costs are not “reasonable costs” of a governmental activity IID was authorized to undertake, the increases fail the article XIII C, section 1(e)(2) exception and constitute a tax imposed without voter approval.

154. Article XIII C, section 2 speaks in terms of taxes that are “imposed, extended, or increased.” While a charge that recovers unauthorized costs is still a tax under the broad definition in § 1(e), the most direct constitutional violation occurs when the agency increases that tax without a vote.

155. Petitioner does not seek to invalidate any past extension of service, unwind any completed connection, or disturb electric service to any existing customer. The relief sought is prospective: cessation of future collection of any portion of the challenged rates found to constitute a tax; restoration of rates to the levels in effect immediately prior to February 1, 2025; and related declaratory and injunctive relief pending a geographically supported cost-of-service determination and lawful resolution of service authority.

FIRST CAUSE OF ACTION
Writ of Mandate - Violation of California Constitution, Article XIII C (Proposition 26) (Code Civ. Proc. § 1085)

156. Petitioner re-alleges and incorporates by reference all preceding paragraphs.

157. Article XIII C, section 1(e) of the California Constitution provides that every levy, charge, or exaction of any kind imposed by a local government is a tax unless it falls within an enumerated exception. The exception on which utility rates depend requires that the charge be imposed for a specific government service provided directly to the payor that is not provided to those not charged, and that the charge not exceed the reasonable costs to the local government of providing the service. The local government bears the burden of proving by a preponderance of the evidence that the levy is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bears a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

158. The January 2025 rate increases, as applied to Riverside County ratepayers, exceed the reasonable cost of providing electric service to those ratepayers, and the manner in which the underlying costs are allocated to them bears no fair or reasonable relationship to their burdens or benefits. The NewGen Study on which the increases exclusively rest contains no geographic cost allocation and recovers a capital program that disproportionately benefits the in-boundary territory from ratepayers who have no vote. As applied to Riverside County ratepayers, the increases are a tax.

159. Independently, the increases fail article XIII C, section 1(e) because they recover the costs of service and facilities IID has no lawful authority to provide or construct in Riverside County. A charge imposed for an ultra vires activity is not a charge "imposed for a specific government service" within the meaning of the constitutional exception. This defect exists regardless of any cost allocation in the NewGen Study.

160. No voter approval of the challenged charges occurred or can occur. An election limited to IID's statutory electorate in Imperial County cannot constitutionally approve a tax imposed on Riverside County residents - a structural condition IID has itself preserved by twice refusing Riverside LAFCO's annexation invitations. (EXHIBITS 3-5.)

161. IID has a clear, present, and ministerial duty to refrain from the ongoing and future collection of an unconstitutional tax. The duty admits of no discretion. Petitioner is beneficially interested through its affected members and separately invokes the public-interest exception to the beneficial-interest requirement.

162. Petitioner has no plain, speedy, and adequate remedy at law for the prospective relief sought. A writ of mandate is appropriate to compel compliance with the constitutional duties alleged herein.

163. Each day on which IID continues to serve the post-cutoff meters and to recover the costs of those facilities is a fresh ultra vires act.

164. Petitioner seeks only prospective relief. It does not seek a refund of any rates already paid. The challenged rate increases remain in effect and continue to be collected. Each billing period that recovers the costs of the approximately 60,000 post-cutoff meters

and associated facilities constitutes a continuing violation of article XIII C and of Government Code § 56133 and Public Utilities Code § 9607. The Court has inherent authority to enjoin the ongoing collection of an unauthorized tax and to declare that future rates may not include the costs of ultra vires service.

165. Petitioner seeks a peremptory writ of mandate commanding IID to: (A). cease collecting from Riverside County ratepayers any portion of the January 2025 rate increases, including the 2026 and 2027 steps, that is determined to constitute a tax under article XIII C; (B). restore the rates applicable to Riverside County customers to the levels in effect immediately prior to February 1, 2025, pending completion of a cost-of-service study that geographically isolates the cost of serving Riverside County and lawful resolution of service authority in Riverside County under Public Utilities Code § 9607 and Government Code § 56133; and (C). refrain from implementing further systemwide increases applicable to Riverside County customers unless IID can satisfy the reasonable-cost and fair-allocation requirements of article XIII C.

SECOND CAUSE OF ACTION
Declaratory Relief (Code Civ. Proc. § 1060)

166. Petitioner re-alleges and incorporates by reference all preceding paragraphs.

167. An actual and present controversy exists between Petitioner and IID concerning their respective rights and duties under article XIII C of the California Constitution, and the instruments on which IID relies for Coachella Valley service. IID's written responses confirm the controversy. Petitioner contends, and IID disputes:

(A). whether the January 2025 rate increases, as applied to Riverside County ratepayers, constitute taxes under article XIII C and are invalid absent voter approval;

(B). whether the NewGen Study satisfies IID's burden to establish reasonable costs and a fair or reasonable allocation to Riverside County ratepayers;

(C). whether IID's last effective dual-approved service-area arrangement expired on October 14, 1993;

(D). whether the approvals from the Commission required by Public Utilities Code § 9607 were obtained;

(E). whether the approvals from Riverside LAFCO required by Government Code § 56133, as enacted in 1993 and reenacted in 2000, were obtained;

(F). whether an election confined to IID's Imperial County electorate could satisfy article XIII C as to Riverside County ratepayers;

(G). whether the IEFA and CEFA surcharges collected by IID from Riverside County ratepayers are levies, charges, or exactions subject to article XIII C that were imposed without voter approval and without the cost justification section 1(e) requires;

(H). whether prospective relief against continuing and future collections is barred by Water Code § 22651.5 or another limitations provision;

(I). whether IID may implement the 2027 rate step or future systemwide increases applicable to Riverside County without satisfying article XIII C;

(J). whether the Indio Electric Financing Authority and Coachella Electric Financing Authority joint powers agreements are "contracts or agreements" within the meaning of Government Code § 56133, subdivision (a), such that the new or extended services and distribution facilities they provide for required Riverside LAFCO approval; and (K). whether future rates charged to Riverside County ratepayers may lawfully include the capital or operating costs attributable to meters connected, or electric distribution facilities constructed or installed, in Riverside County after the applicable statutory checkpoints without the required approvals.

168. A judicial declaration is necessary and appropriate so that the parties may ascertain their present rights and duties, the scheduled 2027 rate step may be adjudicated before further collections occur, and future violations, if established, may be avoided.

THIRD CAUSE OF ACTION
Writ of Mandate - Unapproved Surcharge Exactions in Violation of Article XIII C (Code Civ. Proc. § 1085)

169. Petitioner re-alleges and incorporates by reference all preceding paragraphs.

170. Through the Indio Electric Financing Authority and the Coachella Electric Financing Authority, IID collects per-kilowatt-hour surcharges on the electric bills of Riverside County ratepayers in the Cities of Indio and Coachella. The surcharges are levies, charges, or exactions imposed or collected by a local government within the meaning of article XIII C, section 1(e) of the California Constitution.

171. The surcharges were never submitted to, or approved by, any electorate. IID bears the burden of proving that they fall within an enumerated exception to article XIII C, section 1(e) – including that each surcharge does not exceed the reasonable cost of a specific government service provided directly to the surcharged payors and that its allocation to them bears a fair or reasonable relationship to their burdens and benefits. No cost-of-service analysis supports the surcharges, which are imposed on ratepayers already bearing the unapproved 2025-2027 base-rate increases.

172. IID has a clear, present, and ministerial duty to refrain from collecting unapproved taxes. The surcharge collections are continuing exactions, renewed with each billing cycle, layered on top of base rates that are themselves unapproved taxes as applied to Riverside County ratepayers.

173. Petitioner seeks a peremptory writ of mandate commanding IID to cease prospectively collecting the IEFA and CEFA surcharges from Riverside County ratepayers unless and until the surcharges are approved by the electorate or demonstrated to satisfy article XIII C, section 1(e).

FOURTH CAUSE OF ACTION
Injunctive Relief Ancillary to the First and Third Causes of Action
(Code Civ. Proc. § 526)

174. Petitioner re-alleges and incorporates by reference all preceding paragraphs.

175. Unless restrained, IID will continue collecting the challenged charges from Riverside County ratepayers and will implement the scheduled 2027 rate step. Prospective monetary collections later determined to violate article XIII C cannot be adequately addressed by the retrospective relief Petitioner expressly disclaims and would otherwise require repeated litigation. (Code Civ. Proc., § 526, subds. (a)(1), (2), (4)-(6).)

176. The balance of harms and the public interest favor prospective relief. The requested injunction would not interrupt electric service to any customer; it would require only compliance with the constitutional and statutory requirements adjudicated by the Court. Nor can IID claim hardship from compliance: any burden is of IID's own making, the product of three decades of refused opportunities to obtain the required approvals and to enfranchise the ratepayers it charges. (EXHIBITS 3-5.)

177. Petitioner seeks preliminary and permanent injunctive relief restraining IID and its officers, agents, and employees from prospectively collecting from Riverside County ratepayers any portion of the January 2025 rate increases, including the 2026 and 2027 steps, determined to constitute a tax under article XIII C, and from collecting the IEFA and CEFA surcharge exactions unless and until they are approved by the electorate or demonstrated to satisfy article XIII C, section 1(e).

PRAYER FOR RELIEF

WHEREFORE, Petitioner respectfully prays for judgment as follows:

1. For a peremptory writ of mandate commanding IID to:

(A). cease prospectively collecting from Riverside County ratepayers any portion of the January 2025 rate increases, including the 2026 and 2027 steps, determined to constitute a tax under article XIII C, section 1(e) of the California Constitution;

(B). restore Riverside County rates to the levels in effect immediately prior to February 1, 2025, pending completion of a cost-of-service study that geographically isolates the cost of serving Riverside County and lawful resolution of service authority in Riverside County under Public Utilities Code § 9607 and Government Code § 56133;

(C). cease prospectively collecting the IEFA and CEFA surcharge exactions from Riverside County ratepayers unless and until they are approved by the electorate or demonstrated to satisfy article XIII C, section 1(e); and

(D). refrain from including in any future rates charged to Riverside County ratepayers the capital or operating costs attributable to electric meters first connected, or electric distribution facilities first constructed or installed, in Riverside County after the applicable statutory checkpoints without the approvals required by Government Code § 56133 and Public Utilities Code § 9607;

2. For a judicial declaration in accordance with the Second Cause of Action, including declarations concerning the constitutional status of the challenged Riverside County charges, IID's burden under article XIII C, the legal effect of the alleged service-authority defects, the constitutional status of the IEFA and CEFA surcharge exactions, and IID's authority to implement the scheduled 2027 rate step;

3. For preliminary and permanent injunctive relief ancillary to the First and Third Causes of Action;

4. For Petitioner's costs of suit and attorney's fees pursuant to Code of Civil Procedure § 1021.5, on the ground that this action seeks enforcement of important rights affecting the public interest and, if successful, will confer a significant benefit on the general public or a large class of persons;

5. For such other and further relief as the Court deems just and proper.

Dated: August 24, 2026

LAW OFFICES OF SEBASTIAN RUCCI, P.C.

Sebastian Rucci

Sebastian Rucci (State Bar No. 178114)
Attorneys for Petitioner and Plaintiff
Coalition for Accountable Electric Service in Riverside County

VERIFICATION

I, Sebastian Rucci, declare: I am the authorized representative of the Coalition for Accountable Electric Service in Riverside County, petitioner and plaintiff in this proceeding, and I am authorized to make this verification on its behalf. I have read the foregoing Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief and know its contents. The facts stated therein are true of my own knowledge, except as to matters stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 24, 2026, at Bermuda Dunes, California.

COALITION FOR ACCOUNTABLE ELECTRIC SERVICE IN RIVERSIDE COUNTY

Sebastian Rucci

Sebastian Rucci, Authorized Representative

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TABLE OF EXHIBITS

EXHIBIT 1

Government Code § 56133, operative July 1, 1994.

Chapter 1307 of the Statutes of 1993, adding the original Gov. Code § 56133, operative July 1, 1994.

https://clerk.assembly.ca.gov/historical-information/archive-list/statutes-and-amendments-codes-1993

CHAPTER 1307

An act to amend Sections 56076, 56331, 56375, 56455, 56827.5, 56837, 56839, and 56852 of, and to add Sections 56133, 56839.1, 57008, and 57092 to, the Government Code, relating to local government agency reorganization.

[Approved by Governor October 11, 1993. Filed with Secretary of State October 11, 1993.]

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

SECTION 1. Section 56076 of the Government Code is amended to read:

56076. "Sphere of influence" means a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.

SEC. 2. Section 56133 is added to the Government Code, to read:

56133. A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission in the affected county. The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization. This section does not apply to contracts or agreements solely involving two or more public agencies. This section does not apply to contracts for the transfer of nonpotable or nontreated water. This section does not apply to contracts or agreements solely involving the provision of surplus water to agricultural lands for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county. This section shall not apply to an extended service that a city or district was providing on January 1, 1993.

SEC. 3. Section 56331 of the Government Code is amended to read:

56331. When appointing a public member pursuant to Sections 56325, 56326, 56329, and 56330, the commission may also appoint one alternate public member who may serve and vote in place of a regular public member who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

No person appointed as a public member or alternate public member pursuant to this chapter shall be an officer or employee of

EXHIBIT 2
Cal Government Code § 56133

NEW OR EXTENDED SERVICES OUTSIDE JURISDICTIONAL BOUNDARY

Cal Gov Code § 56133

Current with urgency legislation through Ch.89 of the 2025-2026 Regular Session, effective as of July 16, 2026

Deering's California Codes Annotated > GOVERNMENT CODE (§§ 1 — 500000–500049) > Title 5 Local Agencies (Divs. 1 — 5) > Division 3 Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000 (Pts. 1 — 5) > Part 1 General (Chs. 1 — 4) > Chapter 3 Introductory and General Provisions (§§ 56100 — 56146)

§ 56133. New or extended services outside jurisdictional boundary

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in *Section 241 of the Public Utilities Code*, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 224.3 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of *Section 56134*.

History

Added *Stats 1993 ch 1307 § 2 (AB 1335)*. Amended *Stats 1994 ch 654 § 2 (AB 3350)*, effective September 20, 1994; *Stats 1997 ch 175 § 1 (AB 637)*; *Stats 1999 ch 779 § 1 (SB 807)*, effective October 10, 1999; *Stats 2000 ch 761 § 47 (AB 2838)*; *Stats 2002 ch 548 § 6 (AB 2227)*; *Stats 2015 ch 431 § 1 (AB 402)*, effective January 1, 2016, ch 763 § 2 (SB 239), effective January 1, 2016, ch 763 § 2.5 (SB 239), effective January 1, 2016; *Stats 2019 ch 20 § 3 (AB 1822)*, effective January 1, 2020; *Stats 2021 ch 31 § 4 (AB 1581)*, effective January 1, 2022; *Stats 2022 ch 37 § 3 (AB 2957)*, effective January 1, 2023.

End of Document

EXHIBIT 3

LAFCO 2006-61-4 Riverside LAFCO request for IID to annex (3-08-2007)

Local Agency Formation Commission of Riverside County

RESOLUTION NO. 28-07

ESTABLISHING THE SPHERE OF INFLUENCE OF

REVIEW AND POTENTIAL AMENDMENTS - IMPERIAL IRRIGATION DISTRICT

LAFCO NO. 2006-61-4

BE IT RESOLVED AND DETERMINED by the Local Agency Formation Commission in regular session assembled on February 22, 2007, that the sphere of influence of Imperial Irrigation District has been reviewed and hereby established, as more particularly described in Exhibit "A", attached hereto and made a part hereof.

BE IT FURTHER RESOLVED AND DETERMINED that:

1. The Commission has initiated this review pursuant to Government Code Section 56425(f).

2. The establishment of the sphere of influence is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that the proposal will not have a significant effect on the environment.

3. The District's boundaries do not extend into the County of Riverside. Further, IID's sphere of influence be established to include the areas it currently serves as depicted in Exhibit "A", and the Commission makes the following determinations:

a. The present and planned land uses in the area, including agricultural and open-space lands:

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
3850 Vine Street
Suite 110
Riverside, California
92507-4277
(951) 369-0631

The subject area consists of semi-developed mixed land uses encompassing the Cities of Indio, La Quinta, and Coachella, portions of Indian Wells, Palm Desert and Rancho Mirage, as well as unincorporated county area including Thousand Palms, Bermuda Dunes, Oasis, Thermal, Mecca, the Salton Sea, North Shore, Sky Valley, Indio Hills, Hayfield, Chiriaco Summit and Joshua Tree National Park. Any future, land uses will be consistent with existing land uses.

b. The present and probable need for public facilities and services in the area:

The recommended sphere of influence to be established for Imperial Irrigation District is coterminous with the District's service area and has already been included in IID's planning for the future provision of services.

c. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:

Imperial Irrigation District currently provides electricity services within the County of Riverside. To serve the growing customer base will require IID to purchase additional electricity.

d. The existence of any social or economic communities of interest in the areas if the commission determines that they are relevant to the agency:

There are no social or economic communities of interest within it sphere area.

4. Approve a fee waiver for the annexation of the sphere of influence area as established by the Commission

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
3850 Vine Street
Suite 110
Riverside, California
92507-4277
(951) 369-0631

to Imperial Irrigation District.

5. The Executive Officer is directed to transmit a certified copy of this resolution to each subject agency.

ROBIN LOWE, Chair

I certify the above resolution was passed and adopted by the Local Agency Formation Commission of Riverside County on February 22, 2007.

GEORGE J. SPILIOTIS
Executive Officer

FORM APPROVED
COUNTY COUNSEL

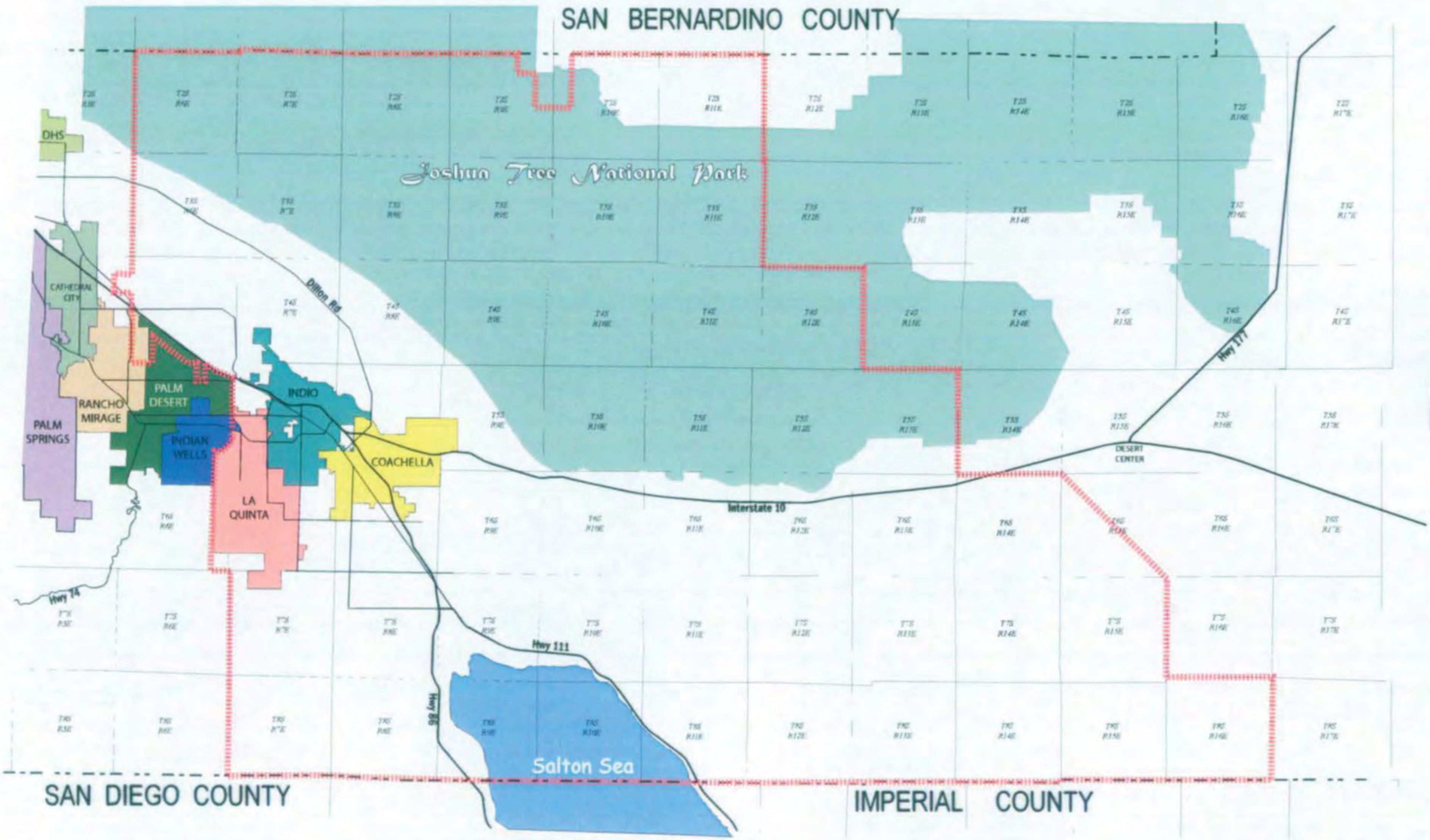
MAR 08 2007

BY

RIVERSIDE
LOCAL AGENCY
FORMATION COMMISSION
3850 Vine Street
Suite 110
Riverside, California
92507-4277
(951) 369-0631

SPHERE OF INFLUENCE
IMPERIAL IRRIGATION DISTRICT
LAFCO 2006-61-4

Exhibit A



Imperial Irrigation District Commission Approved Sphere of Influence

RIVERSIDE LAFCO

4.h.
2/22/2007

TO: Local Agency Formation Commission

FROM: Adriana Romo, Local Government Analyst II

SUBJECT: LAFCO 2006-61-4—SPHERE OF INFLUENCE REVIEW AND POTENTIAL AMENDMENTS—IMPERIAL IRRIGATION DISTRICT;

PRIOR RELATED ITEMS: None.

EXECUTIVE SUMMARY AND GENERAL RECOMMENDATIONS: Imperial Irrigation District (IID) provides services to the Counties of San Diego, Riverside, and Imperial. The District currently provides water and electricity services. Within the County of Riverside, the District provides electricity services to the Cities of Indio and Coachella, and La Quinta, as well as portions of Rancho Mirage, Palm Desert, and Indian Wells, and unincorporated areas. This sphere review only includes the areas served by IID within the County of Riverside.

In researching the sphere of influence for IID, staff has concluded that the District's boundaries do not extend into the County of Riverside. Staff is recommending IID's sphere of influence be established to include the areas it currently serves and that the Commission approve a fee waiver for an annexation application initiated by IID to formally annex the area it serves within the County of Riverside. Annexation would allow the registered voters served by IID to participate in IID's elections.

BACKGROUND: A Sphere of Influence (SOI), as defined by Government Code Section 56075 is "a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission". Spheres of influence are used as a planning tool for agencies to conduct service and facility planning for areas they intend to service in the future.

Riverside Local Agency Formation Commission is initiating sphere of influence reviews for all cities and special districts pursuant to Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (Government Code Section 56425). State law requires the Commission to review all city and district spheres of influence at least once every five years.

Consistent with Commission sphere of influence policies, a sphere of influence can a) be coterminous to agency boundaries as the ultimate foreseen configuration of the agency in anticipation of no future growth, b) extend beyond the agency boundaries in anticipation of future growth, c) be smaller, indicating the need to detach areas from the agency boundaries, or d) be designated a "zero sphere", which indicates a potential dissolution of the agency.

IID was formed in 1911 and currently operates under Sections 20500-29978 of the Water Code. The District is a registered voter district whose governing body consists of five elected board members consistent with its principal act.

GENERAL LOCATION: The area Imperial Irrigation District currently serves within the County of Riverside can be generally described as being south of the San Bernardino/Riverside County Line, east Highway 177, north of the Imperial/Riverside County line, and west of the Cities of Cathedral and Palm Springs.

The District office is located at 333 E. Barioni Blvd. in Imperial, CA.

DISTRICT ANALYSIS:

HISTORY: Imperial Irrigation District was formed in 1911 to provide water services for the purposes of irrigation in the Imperial Valley. In 1936 the District began providing electricity services. After purchasing the assets of its predecessor, Nevada-California Electric in 1943, IID began providing electricity services to the lower Coachella Valley.

Staff has been under the assumption that IID's boundaries extended to include the area it serves in Riverside County. However, the Registrar of Voters has reported that no records exist for Imperial Irrigation District within the County of Riverside. As a result, none of its customers within the County of Riverside participate in IID's board member elections. Since IID's, principal county is Imperial all annexations and detachments are processed through Imperial LAFCO. As a result, staff is unaware of any changes of organization to the District's boundaries since its formation. Both Riverside and Imperial LAFCO staff are currently researching this matter further. In addition, there are no records that a sphere of influence was ever established for IID. Although, Imperial County is IID's principal county, Riverside LAFCO would be responsible for establishing a sphere of influence for IID within its jurisdictional area. Any additional information available prior to the hearing will be presented to the Commission.

MUNICIPAL SERVICE REVIEW (MSR) DISCUSSION: As mandated by Government Code Section 56430, a Municipal Service Review (MSR) was prepared for IID, which was received and filed by the Commission in May of 2005, prior to the review of IID's sphere of influence. Provided is a brief overview of the MSR for the District.

As discussed in the MSR, IID's total service area is approximately 6,471 square miles, 1,953 of which are within the County of Riverside. Services are provided to the Cities of Indio, Coachella, and La Quinta, portions of the Cities of Indian Wells, Palm Desert, and Rancho Mirage, as well as the unincorporated areas of Thousand Palms, Bermuda Dunes, Oasis, Thermal, Mecca, North Shore, Sky Valley, Indio Hills, Hayfield, Chiriaco Summit, and Joshua Tree National Park. The majority of IID's electricity recipients are within the County of Riverside. IID serves energy to 130,000 metered customers, 78,000 of which are within the County of Riverside.

Growth within the southern Coachella Valley impacts IID's customer base. As a result of new development in 2003, there was a 5% increase in IID's electrical customers. The Cities that would most significantly impact IID's customer base as mentioned in the MSR, are Coachella, La Quinta, and Indio. According to the Riverside County Progress Report of June 2006, from January 1, 2003 to January 1, 2006, there was a population increase of approximately 30 percent in the City of Indio, approximately 25% in La Quinta, and approximately 31% in the City of Coachella. These percentages represent an estimated 11,500 units constructed within these three Cities alone. The specific number of new customers to IID cannot be determined based on population growth or additional housing units to these Cities because there has been additional growth in the unincorporated areas as well. However, growth within these cities represents the great majority of new customers within IID's service area in Riverside County. To comply with additional demand as a result of development, the District is looking to purchase an additional 250-280 megawatts (MW) by 2008.

IID also has several cooperative agreements with neighboring electricity providers for emergency services and shared facilities. As a result, it can be concluded that the District can continue to adequately provide services.

SIGNIFICANT ISSUES:

BOUNDARIES: Although LAFCO staff has been under the assumption that IID's service boundaries extend into the County of Riverside, there appears to be no records that IID formally annexed the southern Coachella Valley into its service area. Also, there are no records that IID's sphere of influence was established in the mid-eighties as required by state mandate at that time.

Since the majority of IID's service population for electricity is within the County of Riverside, staff recommends the District's sphere of influence be established to include its service area as depicted on the attached exhibit. In addition, staff recommends IID formally submit an annexation application to include the area established as its sphere of influence allowing for a coterminous sphere. This would allow the registered voters within the County of Riverside to participate in IID's elections. Currently, customers within Riverside County are not represented by IID's board of directors. Each board member is responsible for a division, none of which includes registered voters within the County of Riverside (Please reference attached map).

Staff also recommends the Commission approve a fee waiver for the District's application submittal to LAFCO for annexation of this area since it would improve IID's service boundaries.

TAXES AND ASSESSMENTS: Within the County of Riverside, IID does not receive a portion of the one-percent tax levy. IID's current rates are lower than other service providers in the area. The District's current rates include a customer charge of $3.60 and an energy charge of $7.84 per kilowatt hours(kWh).

COMMENTS FROM AFFECTED AGENCIES/AFFECTED PARTIES: Coachella Valley Water District has submitted a letter indicating support for a coterminous sphere of influence for IID based on the assumption that IID's boundaries currently extend into Riverside County. IID has also submitted a response to the sphere of influence review indicating they do not foresee a need to expand the District's sphere of influence beyond its service area within Riverside County.

CONCLUSION: Since there is no record that a sphere of influence was established for Imperial Irrigation District within the County of Riverside, staff feels it would be appropriate to establish a sphere of influence that includes IID's current electricity service area in the County of Riverside as depicted in the attached exhibit.

RECOMMENDATIONS: Based on the factors above, it is the recommended the Commission;

1. Find that establishing the sphere of influence for Imperial Irrigation District is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061 (b)(3), as it can be seen with certainty that the proposal will not have a significant effect on the environment.

2. Establish a sphere of influence for Imperial Irrigation District matching its existing service area;

3. Adopt the following State of Determinations for Imperial Irrigation District sphere of influence;

   a. The present and planned land uses in the area, including agricultural and open-space lands:

   The subject area consists of a semi-developed mixed land uses encompassing the Cities of Indio, La Quinta, and Coachella, portions of Indian Wells, Palm Desert, and Rancho Mirage, as well as unincorporated county area including Thousand Palms, Bermuda Dunes, Oasis, Thermal, Mecca, the Salton Sea North Shore, Sky Valley, Indio Hills, Hayfield, Chiriaco Summit, and Joshua Tree National Park. Any future land uses will be consistent with existing land uses.

   b. The present and probable need for public facilities and services in the area:

   The recommended sphere of influence to be established for Imperial Irrigation District is coterminous to the District's service area and has already been included in IID's planning for the future provision of services.

c. ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:***

Imperial Irrigation District currently provides electricity services within the County of Riverside. To serve the growing customer base will require IID to purchase additional electricity.

d. ***The existence of any social or economic communities of interest in the areas if the commission determines that they are relevant to the agency:***

There are no social or economic communities of interest within it sphere area.

4. Adopt Imperial Irrigation District's written statements specifying the services provided by the district (See Attached).

5. Approve a fee waiver for the annexation of the sphere of influence area as established by the Commission to Imperial Irrigation District.

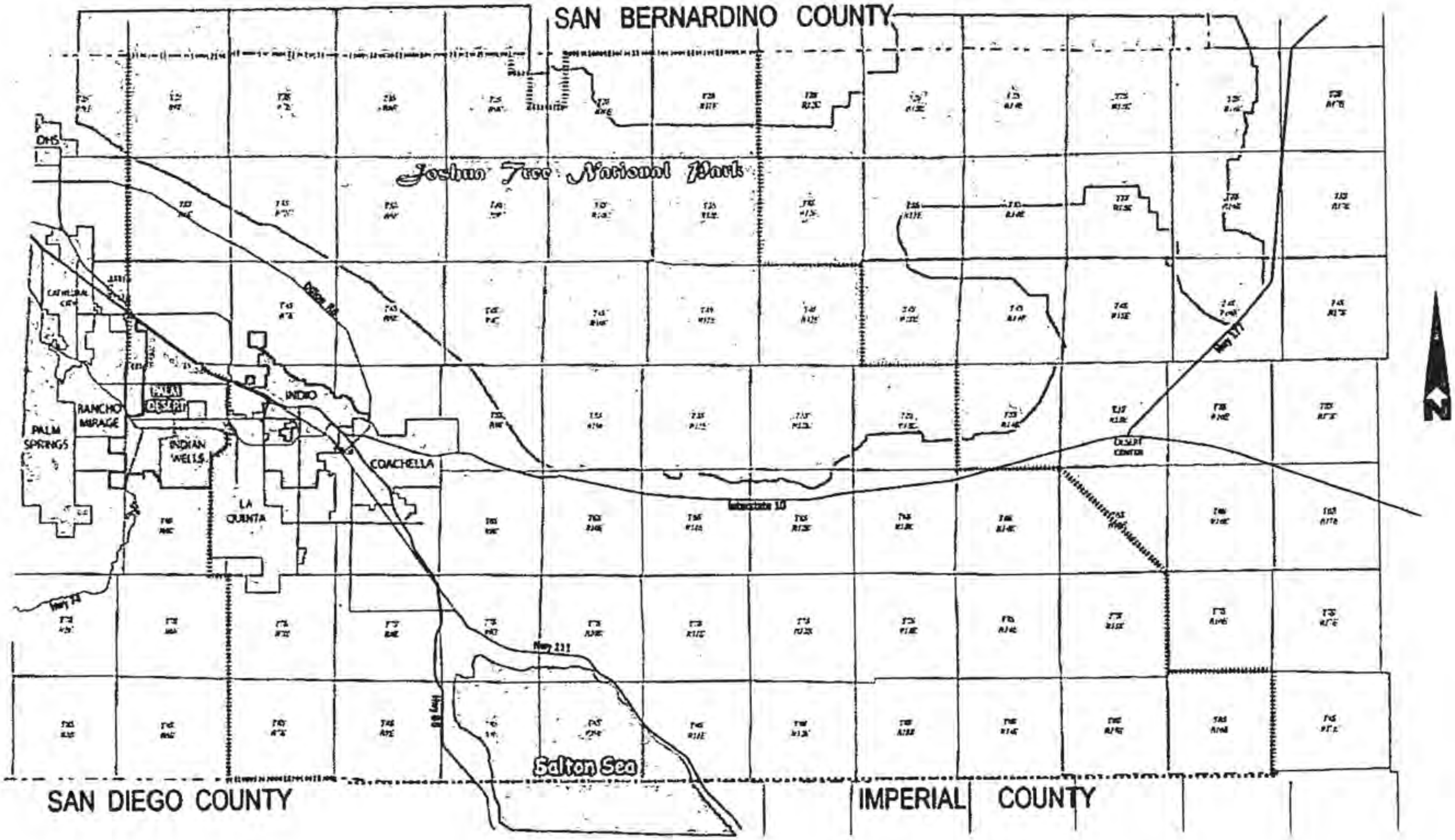
Respectfully submitted,

Adriana Romo

Adriana Romo
Local Government Analyst II

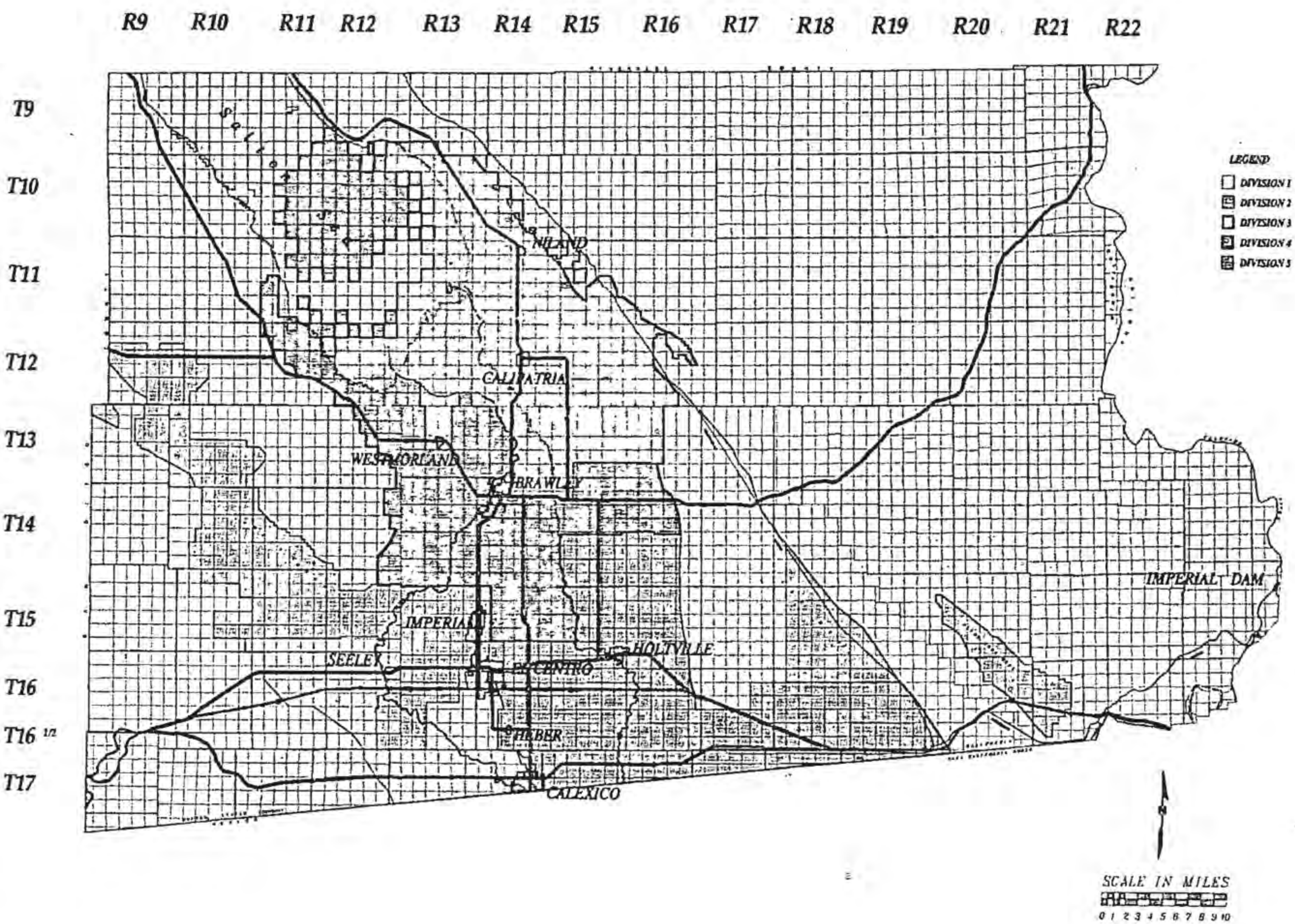
SPHERE OF INFLUENCE REVIEW & POTENTIAL AMENDMENTS: IMPERIAL IRRIGATION DISTRICT

LAFCO 2006-61-4



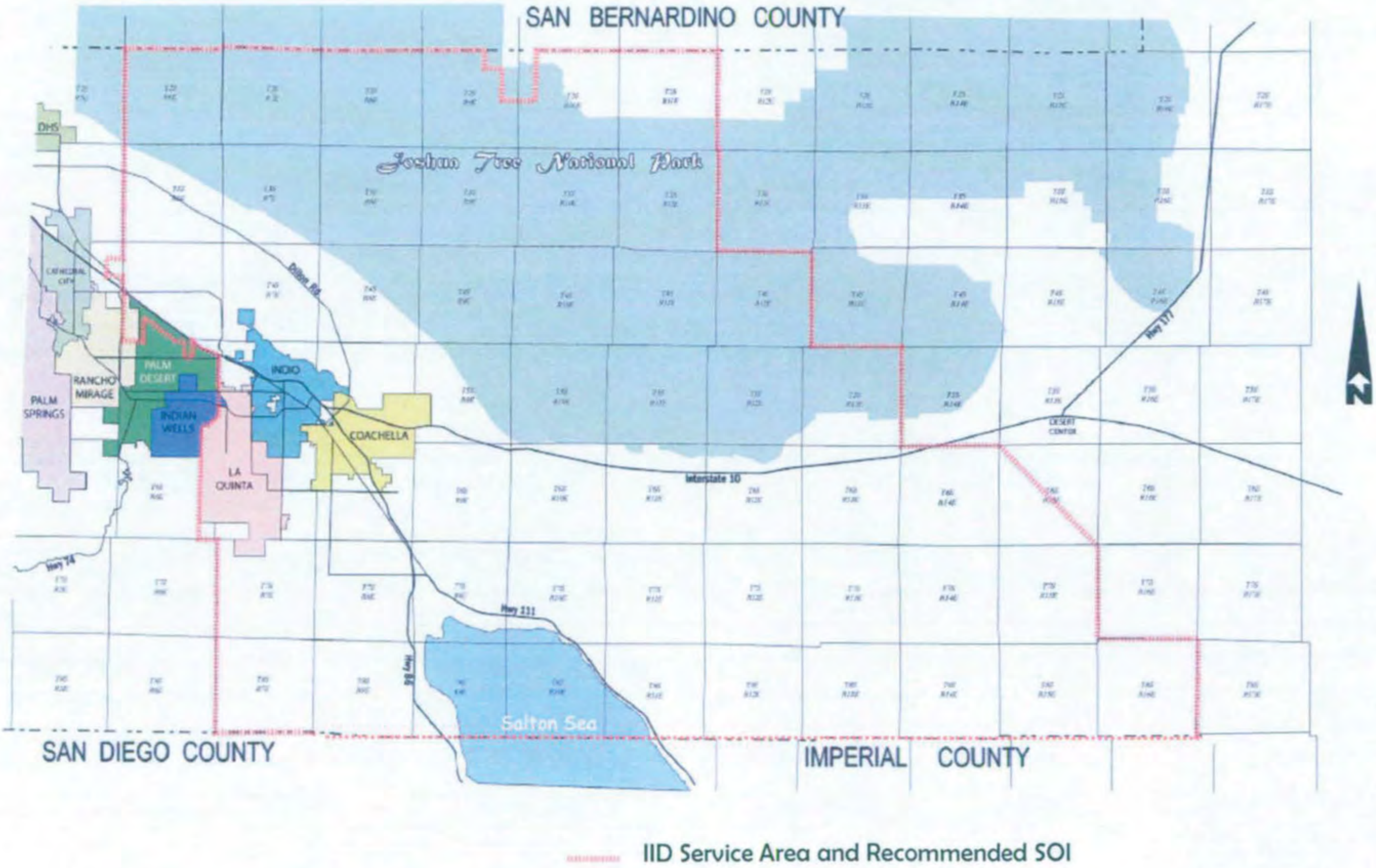
IID Service Area and Recommended SOI

IMPERIAL IRRIGATION DISTRICT
POLITICAL DIVISIONS



SPHERE OF INFLUENCE REVIEW & POTENTIAL AMENDMENTS: IMPERIAL IRRIGATION DISTRICT

LAFCO 2006-61-4



IMPERIAL IRRIGATION DISTRICT
POLITICAL DIVISIONS

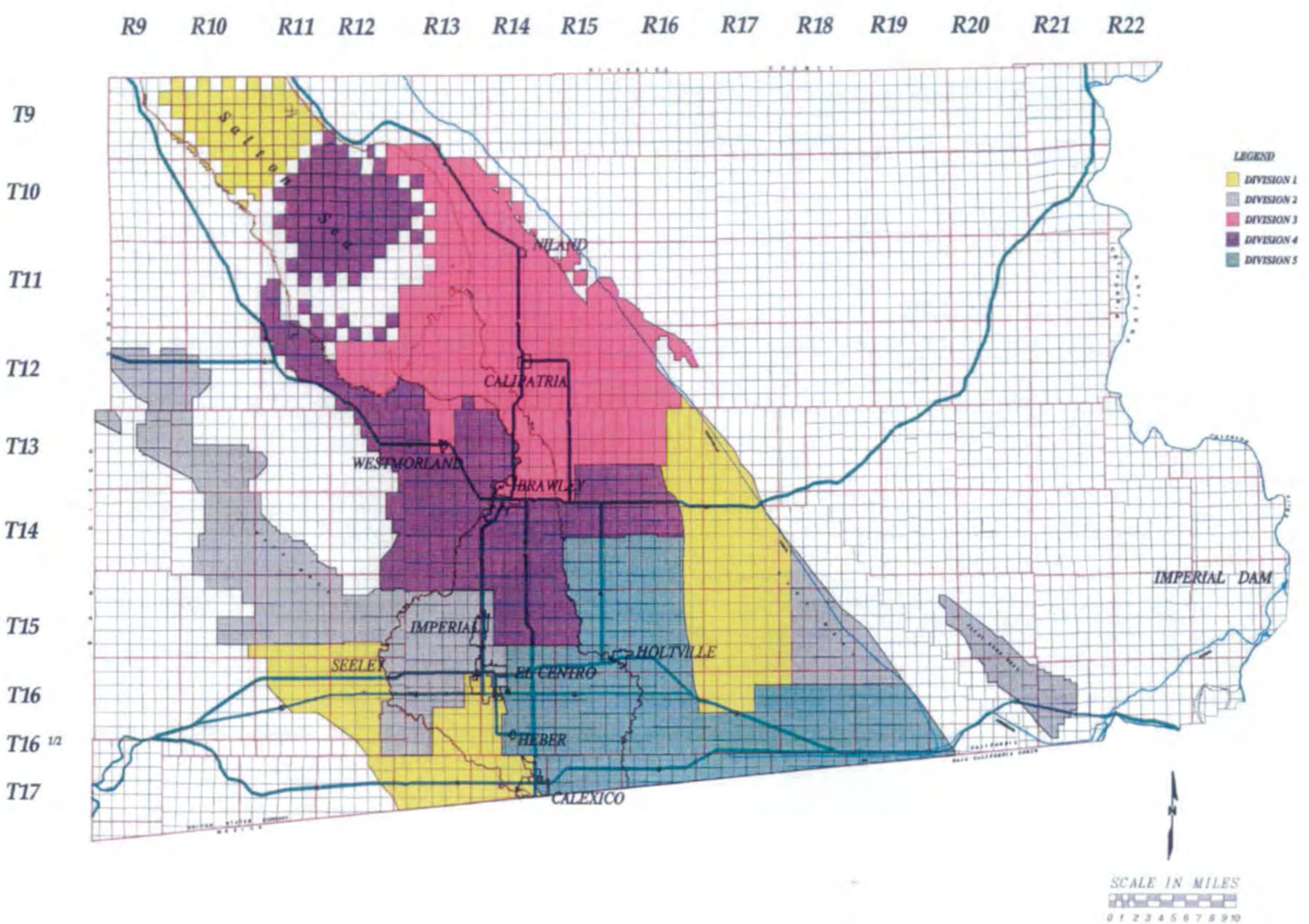


EXHIBIT 4

IID letter to Riverside LAFCO Refusing Annexation (12-12-06)

IMPERIAL IRRIGATION DISTRICT

GENERAL MANAGER'S OFFICE • P. O. BOX 937 • IMPERIAL, CA 92251

December 12, 2006

RECEIVED
RIVERSIDE LOCAL AGENCY FORMATION COMMISSION
06 DEC 14 PM 1:06

Adriana Romo
Local Government Analyst
Riverside County LAFCO
3850 Vine Street, Ste. 110
Riverside, California 92507-4277

Dear Ms. Romo:

I am in receipt of your fax dated today regarding the Riverside County Local Agency Formation Commission (LAFCO) Sphere of Influence Review for the Imperial Irrigation District. I note that your original letter was dated July 12, 2006 and that you had requested a response by August 9, 2006. Evidently your original request was misdirected somewhere along the line and I apologize for the lateness of this response.

The Imperial Irrigation District (IID) was formed in 1911 under the California Irrigation District Act to acquire properties of the bankrupt California Development Company and its Mexican subsidiary for the purpose of diverting and distributing Colorado River water to the Imperial and Mexicali valleys. IID is therefore a political subdivision of the state of California.

In 1936, IID entered into the electrical energy business. Launched in conjunction with the construction of the All-American Canal, the district anticipated that hydroelectric power generated from five falling water drops on the AAC would afford energy rates considerably lower than those available to the Imperial Valley at that time. IID has provided electrical service to the lower Coachella Valley since purchasing the assets and service area of the Nevada-California Electric Company in 1943. Today, IID Energy serves in excess of 130,000 meters within a 6,471 square mile service area in Imperial County, the Lower Coachella Valley and parts of San Diego County. IID Energy controls over 1,000 MW of energy derived from a diverse resource portfolio that includes its own generation and long- and short-term power purchases.

TELEPHONE (760) 339-9477 • FAX (760) 339-9392
WEB SITE: www.iid.com

Regarding the District's service area in Riverside County, IID directly provides electrical energy to approximately 78,000 metered customers in a defined service area as indicated on the map entitled "Imperial Irrigation District Imperial County and Coachella Valley Power System and Service Area" dated December 31, 2005. This map may be found in the Maps section of the enclosed IID 2005 Energy Report. The District's Coachella Valley electrical service area includes the cities of Coachella, Indio, and La Quinta as well as parts of the cities of Indian Wells, Palm Desert, and Rancho Mirage. IID also serves the unincorporated areas of Thousand Palms, Bermuda Dunes, Oasis, Thermal, Mecca, North Shore, Sky Valley, Indio Hills, Hayfield, Chiriaco Summit and Joshua Tree National Park.

IID provides no services in Riverside County outside of the existing electrical service area boundary and IID's Riverside County sphere of influence (SOI) should be considered coterminous with the district's existing Riverside County service area boundary. The district sees no reason why its Riverside County service area boundary needs to be amended or changed.

IID Energy continues to evolve as an energy provider, searching for innovative solutions to the challenges faced by every electrical utility: to manage assets and resources wisely and efficiently to meet the needs of those we serve.

Additional information may be found in the enclosed IID 2005 Energy Report. Should you have any questions, please contact Mr. John M. Federowicz, Manager, IID Energy, at (760) 339-9588.

Yours truly,

Elston K. Grubaugh

Elston K. Grubaugh
Assistant General Manager

EXHIBIT 5

IID letter to Riverside LAFCO Refusing Annexation (8-30-23)

August 30, 2023

Via Electronic Mail
(For convenience, paper copy to follow via Federal Express)

Stephen Dopudja, P.E.
President Dopudja & Wells Consulting
6789 Quail Hill Parkway, #421
Irvine, California 92603

Re: Imperial Irrigation District's Comments on the *Alternative Governance and Electricity Services Study-Imperial Irrigation District* (the "Study")

Dear Mr. Dopudja,

The Imperial Irrigation District ("IID") appreciates the efforts of the Riverside and Imperial County Local Agency Formation Commissions to explore options for alternative governance structures to address the concerns of its Coachella Valley electrical customers and other stakeholders. IID is proud of its history of providing its customers with reliable electrical service while emphasizing environmentally friendly operations and maintaining some of the lowest electric rates in California. Consideration of potential alternative governance structures should be predicated on maintaining these standards. By these comments, IID seeks to clarify the record with respect to the 1934 Agreement of Compromise between IID and the Coachella Valley Water District (the "1934 Compromise Agreement") and provide additional context against which stakeholders should evaluate the proposed alternatives.

I. In Evaluating Potential Changes to the Status Quo, Customer Satisfaction Should Be The Top Priority.

In all of its operations, IID puts customers first. The Study identifies several concerns voiced by Coachella Valley energy stakeholders but does not attempt to correlate these concerns with day-to-day customer satisfaction. For example, when evaluating IID's performance from an industry perspective, in terms of sustained interruptions, frequency of sustained interruptions, and average durations of interruptions, the data show that IID consistently outperforms similarly situated utilities. Since 2018, IID has evaluated and tracked (by random sampling) customer satisfaction with regard to trouble calls that ask, among other things, the customer's overall experience, the courtesy and professionalism of staff, the resolution of the issue, and whether the job was completed in the appropriate time frame. IID received an overall rating of "Outstanding" in those four categories. IID provides excellent service to customers at low cost, in comparison to investor-owned utilities and other publicly-owned utilities of similar scale confronted with weather-imposed challenges and rapidly growing demand coupled with material seasonal demand fluctuations.

IID has taken significant steps toward addressing the concerns identified in the Study while maintaining excellent customer service and low rates. IID is capitalizing on new technologies, securing affordable energy resources, expanding our capacity for local generation, and strengthening our power delivery system, all the while keeping the rates to customers low. Since the establishment of the Coachella Valley Energy Commission ("CVEC") in 2021, IID has been committed to working with the diverse stakeholders in the eastern Coachella Valley within the IID electrical service area. IID, alongside diverse municipal, county, tribal, and public stakeholders, has worked to ensure the CVEC is focused on developing an effective long-term strategic plan for continued energy service to the Coachella Valley following the expiration of the 99-year lease provision of the 1934 Compromise Agreement.

IID's willingness and ability to respond to the divergent needs of specific communities within the current legal framework is reflected in the voluntary, cooperation-based joint exercise of powers agreement recently approved by IID and the City of Indio which will facilitate the accelerated expansion and enhancement of electrical service within Indio.

II. The 1934 Agreement of Compromise Does Not Expire in 2033 and None of the Alternatives Will Terminate the 1934 Agreement of Compromise.

The Study states that the 1934 Compromise Agreement "expires" in 2033 and that some of the alternatives would result in the "termination" of the 1934 Compromise Agreement. Both assertions are wrong. The 1934 Compromise Agreement contains several provisions regarding Colorado River matters, IID water entitlement priority ahead of the Coachella Valley Water District ("CVWD"), and related issues that will continue in perpetuity unless changes are mutually agreed to by IID and CVWD. Only one provision – Section 17, Lease of Power Rights – has a termination date (January 1, 2033.) On that date, IID's exclusive right to the sale, use and control of power rights (as defined in the agreement) based on the All-American Canal system in exchange for its obligation to pay CVWD 8% of net proceeds will end. All other provisions of the 1934 Compromise Agreement will remain in force.[1]

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1 Under the terms of the 1934 Compromise Agreement, upon the expiration of the Lease of Power Rights, ". . .the rights and privileges of the parties thereto shall be segregated and/or adjusted as may be equitable and just, having in view the business, interests and investments of the parties and their respective

The 1934 Compromise Agreement is a contract between IID and CVWD that third parties cannot "terminate" without IID and CVWD's consent. As noted in the Study, unless IID and/or CVWD consent to an alternative that impacts the terms of the 1934 Compromise Agreement, protracted litigation could ensue. Each of the proposed alternatives that purport to "terminate" the 1934 Compromise Agreement (alternatives 1.C and all Option 2 alternatives) could result in potential claims by IID and/or CVWD against a new entity. Thus, stakeholders need to consider the rights of IID and CVWD in evaluating each alternative.

III. Several of the Alternatives Are Not Legally Viable.

The Study provides a thorough survey of possible alternative governance structures. However, some of the proposed alternatives would face legal and/or practical hurdles that render them not viable. For instance, Option 1.B proposes annexation of the Coachella Valley electrical service area (the "Coachella Valley Service Area") into the IID. Existing law does not permit this approach absent an extension of water service to the Coachella Valley Service Area. Because IID already provides electrical service to the Coachella Valley Service Area, annexation of this area into IID requires an extension of service as a matter of law. Absent the extension of services in addition to retail electric service (such as water service) into the Coachella Valley Service Area, no legal grounds for annexation exist. Given IID's water entitlement priority, it is unrealistic to assume any extension of water service in support of annexation.

This option has a practical impediment as well. The population differences between the Coachella Valley Service Area and the IID jurisdictional boundary would likely allow the Coachella area voters to elect a significant majority of a single governing board. The Study suggests that under Option 1.B, Coachella area directors will recuse themselves on water matters. But with a majority of the board having to recuse themselves when that board acts on water matters, the board will likely fail to have a quorum, preventing any decisions from being made. In addition, closed session discussions on water matters by the IID area elected directors would be more difficult or impossible unless there is a separate general manager and general counsel, and even perhaps a chief financial officer, for water services in order to protect confidential water-related discussions.

Option 1.C is also legally problematic. A new "sub-Board of Directors" is proposed to govern all matters related to the new jurisdictional area encompassing the Coachella Valley Service Area, while the existing Board would continue to govern matters related to IID's jurisdictional boundary. Such an approach is without legal support. Irrigation district boards are not authorized to delegate board responsibility to a sub-board or to anyone else.

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legal and equitable rights in said power rights, works and facilities on or in connection with the All-American Canal."

IV. The Most Viable and Preferred Alternative is the Utilization of the JPA Structure to Accomplish the Various Goals of Different Coachella Valley Interests.

Option 1-D – Coachella Valley Parties Establish a Joint Powers Authority with IID – is the most legally viable alternative discussed in the Study. All entities described in the Study have the authority to coordinate with one another to form a JPA. The powers that each is allowed to exercise differ, which creates limitations on which entities could participate in forming a JPA whose purpose will be to provide electricity services to Coachella Valley customers, but there are practical workarounds to those obstacles.

JPAs can only exercise whatever powers are common to all the entities that formed it. This is the "common powers rule." For purposes of providing electricity services, this means that all entities that form the new JPA must each have the independent authority to provide electricity services. IID, the cities, and the Tribes clearly have that authority. The Government Code endows counties with the power to construct, acquire, and develop works for the generation of hydroelectric or wind power and to operate and maintain such works, but it does not confer authority to provide electricity services. Thus, Riverside and Imperial counties could not participate *directly* in the formation of a JPA because they do not have the independent authority to provide electricity.

However, in order to provide representation to customers living in unincorporated areas of the counties, Riverside and Imperial counties could participate in a JPA with IID through the creation of Public Utility Districts within their territories outside of incorporated areas. As discussed in the Study, PUDs can be utilized to enable counties to provide electricity service in unincorporated areas, and thus participate in a JPA to do so. JPAs have additional benefits. They can be tailored to the specific goals of the members, be governed by the existing governance of the members, and be modified over time for purpose and powers by agreement among the members. They thus appear to be more suitable as a tool to adapt and evolve the present setting to a changing energy future in the Coachella Valley, and would allow participation and representation of unincorporated areas in a JPA structure as a member agency.

In addition to the benefits of JPAs described in the Study, the JPA approach has the additional benefit of having already been implemented, albeit on a smaller and limited scale, between IID and the City of Indio. The IID/Indio JPA could serve as a blueprint for future JPAs between IID and the Coachella Valley parties.

V. Further Study Should Include The Comparative Costs of Each Alternative.

While a comparative cost analysis was beyond the scope of the Study, as the range of possible alternatives is reduced, the costs associated with those alternatives needs to be closely examined. Change will come with a price, and future analysis should clearly indicate how each alternative will impact rates, so that stakeholders can fairly weigh the benefits of a proposed alternative against the costs of change.

Although costs and revenue information about IID service to the Coachella Valley is useful, those factors do not provide much guidance about the new cost consequences of changing from IID provision of full service to any other alternative, or the portion of costs associated with different aspects of energy service and the corresponding benefits of different alternatives. IID remains committed to working with Coachella Valley parties to define a consensus-based alternative and conducting appropriate financial analyses of such a defined consensus-based alternative.

VI. Conclusion

The Imperial Irrigation District Board of Directors and staff appreciate the opportunity to participate in this Study process and will continue to foster and participate in collaborative efforts with our partners, stakeholders, and customers in the eastern Coachella Valley long after the completion of the Study process. We look forward to ensuring that the positive efforts between IID and Coachella Valley parties over the last two years continue and will yield durable, adaptable, and effective solutions for the next century of service in the Coachella Valley and beyond.

Sincerely,

Alex Cardenas, President

JB Hamby Vice President

Gina Dockstader, Director

Karin Eugenio, Director

Javier Gonzalez, Director

cc: Imperial County LAFCO
Riverside County LAFCO
Augustine Band of Cahuilla Indians
Cabazon Band of Cahuilla Indians
City of Coachella
City of Indio
City of La Quinta
Coachella Valley Association of Governments
Coachella Valley Water District
County of Imperial
County of Riverside
Cove Communities Services Commission
Torres Martinez Desert Cahuilla Indians
Twenty-Nine Palms Band of Mission Indians

EXHIBIT 6

Public Utilities Code § 9607

§ 9607. Cost–shifting to customers

(a) The intent of this section is to avoid cost-shifting to customers of an electrical corporation resulting from the transfer of distribution services from an electrical corporation to an irrigation district.

(b) Except as otherwise provided in this section and *Section 9608*, and notwithstanding any other provision of law, an irrigation district that offered electrical service to retail customers as of January 1, 1999, may not construct, lease, acquire, install, or operate facilities for the distribution or transmission of electricity to retail customers located in the service territory of an electrical corporation providing electrical distribution services, unless the district has first applied for and received the approval of the commission and implements its service consistent with the commission's order. The commission shall find that service to be in the public interest and shall approve the request of a district to provide distribution or transmission of electricity to retail customers located in the service territory of an electrical corporation providing electrical distribution service if, after notice and hearing, the commission determines all of the following:

(1) The district will provide universal service to all retail customers who request service within the area to be served, at published tariff rates and on a just, reasonable, and nondiscriminatory basis, comparable to that provided by the current retail service provider.

(2) If the area the district is proposing to serve is either of the following:

(A) Is within the district's boundaries but less than the entire district, the area to be served includes a percentage of residential customers and small customers, based on load, comparable to the percentage of residential and small customers in the district, based on load.

(B) Includes territory outside the district's boundaries, in which case the territory outside the district's boundaries must include a percentage of residential customers and small customers, based on load, comparable to the percentage of residential and small customers in the county or counties where service is to be provided, based on load.

(3) Service by the district will be consistent with the intent of the state to avoid economic waste caused by duplication of facilities as set forth in *Section 8101*.

(4) Service by the district will include reasonable mitigation of any adverse effects on the reliability of an existing service by the electrical corporation.

(5) The district has established, funded, and is carrying out public purpose and low-income programs comparable to those provided by the current electric retail service provider.

(6) That district's tariffed electrical service rates, exclusive of commodity costs, will be at least 15 percent below the tariffed electrical service rates, exclusive of commodity costs and nonbypassable charges under *Sections 367*, *368*, *375*, *376*, and *379*, of the electrical corporation for comparable services.

(7) Service by the district is in the public interest.

(c) An irrigation district that obtains the approval of the commission under this section to serve an area shall prepare an annual report available to the public on the total load and number of accounts of residential, low-income, agricultural, commercial, and industrial customers served by the irrigation district in the approved service area.

(d) The commission shall have jurisdiction to resolve and adjudicate complaint cases brought against an irrigation district that offered electrical service to retail customers as of January 1, 1999, by an interested party where the complaint concerns retail electric service outside the boundaries of the district and within the service territory of an electrical corporation. Nothing in this section grants the commission jurisdiction to adjudicate complaint cases involving retail electrical service by an irrigation district inside its boundaries or inside an irrigation district's exclusive service territory.

(e) Any project involving electrical transmission or distribution facilities to be constructed or installed by an irrigation district to serve retail customers located in the service territory of an electrical corporation providing electrical distribution services shall comply with the California Environmental Quality Act (Division 13 (commencing with *Section 21000*) of the Public Resources Code). The county in which the construction or installation is to occur shall act as the lead agency. If a project involves the construction or installation of electrical transmission or distribution facilities in more than one county, the county where the majority of the construction is anticipated to occur shall act as the lead agency.

(f) An irrigation district may not offer service to customers outside of its district boundaries before offering service to all customers within its district boundaries.

(g) This section does not apply to electrical distribution service provided by the Modesto Irrigation District to those customers or within those areas described in subdivisions (a), (b), and (c) of *Section 9610*.

(h) The provisions of this section shall not apply to (1) a cumulative 90 megawatts of load served by the Merced Irrigation District that is located within the boundaries of the district, as those boundaries existed on December 20, 1995, together with the territory of Castle Air Force Base that was located outside the district on that date, or (2) electric load served by the district that was not previously served by an electrical corporation that is located within the boundaries of the district, as those boundaries existed on December 20, 1995, together with the territory of Castle Air Force Base that was located outside the district on that date.

(i) For purposes of this section, a megawatt of load shall be calculated in accordance with the methodology established by the Energy Commission in its Docket No. 96-IRR-1890, but the 90 megawatts shall not include electrical usage by customers that move to the areas described in paragraph (1) after December 31, 2000.

(j) Subdivision (a) of this section shall not apply to the construction, modification, lease, acquisition, installation, or operation of facilities for the distribution or transmission of electricity to customers electrically connected to a district as of December 31, 2000, or to other customers who subsequently locate at the same premises.

(k) In recognition of contractual arrangements and settlements existing as of June 1, 2000, this section does not apply to the acquisition or operation of the electrical distribution facilities that are the subject of the Settlement Agreement dated May 1, 2000, between Pacific Gas and Electric Company and the San Joaquin Irrigation District.

(l) For purposes of this section, retail customers do not include an irrigation district's own electric load being served at retail by an electrical corporation.

History

Added *Stats 2000 ch 1042 § 2 (AB 2638)*. Amended *Stats 2019 ch 396 § 51 (AB 1513)*, effective January 1, 2020.

End of Document

EXHIBIT 7

Letter from Petitioner's Counsel to IID Board and Counsel (7-20-26)

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July 20, 2026

Board of Directors of the Imperial Irrigation District
333 E. Barioni Blvd., Imperial, CA 92251

RE: **IID's June 24, 2026 Response - Proposition 26 Challenge to the 2025 Electric Rate Increase as Applied to Riverside County Ratepayers**

To the Board of Directors of the Imperial Irrigation District and Counsel:

Five weeks ago we invited IID's comments on our intent to file a Proposition 26 challenge to the 2025 electric rate increase as applied to IID's extraterritorial customers in Riverside County - residents who cannot vote for IID's directors and whom IID nonetheless charges without the constitutional discipline Proposition 26 imposes. On June 24, 2026, IID responded to the jurisdictional issues as follows:

> "IID's authority to provide power to customers in the Coachella Valley does not stem from the 1934 Agreement. It stems from the fact that in 1943... IID bought certain assets of the existing power provider, the California Electric Power Company ("Cal Electric") . . . IID acquired from Cal Electric what became known as the "Coachella Service Area" through this transaction. The Railroad Commission and the California Districts Securities Commission both approved the sale and issued orders redefining the territorial boundaries of IID and Cal Electric to avoid any overlap. From this point forward, IID was the sole electricity service utility for the Imperial Valley and for the Coachella Service Area . . . IID's retail service authority rests on its broad statutory power to generate, transmit, and distribute electricity, including outside its boundaries, its ownership of the facilities and equipment necessary to provide retail service, and its acquisition over eighty years ago of the Coachella Service Area."

We have now completed our review of the documents and regulatory record of the October 15, 1943 Agreement of Sale and Purchase, the Railroad Commission and Public Utilities Commission decisions from Decision Nos. 36622 and 36623 through Decision No. 94-04-010, the governing statutes, and the 1934 Agreement of Compromise IID now disclaims. The record refutes IID's position at every step, as set forth below.

1. **IID's Response Is a Decisive Admission: IID Has Abandoned the "99-Year Lease" and Now Rests Its Authority on an Acquisition That Conveyed No Franchise and a Covenant That Expired in 2018**.

IID's June 24 letter disclaims, in writing, the very foundation IID asserts everywhere else. To the Legislature, to the Riverside and Imperial LAFCOs, and to the Coachella Valley Energy Commission, wherein IID describes its Coachella Valley service as resting on a "99-year lease" of power rights from the Coachella Valley Water District expiring in 2033.

IID now correctly admits its authority "does not stem from the 1934 Agreement" at all. As shown below, the 1943 Agreement conveyed no franchise for Riverside County; what it did provide was a twenty-five-year non-competition covenant with two commission approved renewals, expired on October 24, 2018. The Water Code grant IID invokes carries built-in limits that the 2025 rate increase violates.

2. **The 1943 Agreement Conveyed No Riverside County Franchise: Parcel XXVII Withheld the Only Two Riverside County Franchises by Name**.

Article 2, Parcel XXVII of the 1943 Agreement, captioned "Franchises," is the only provision by which franchise rights pass, and its drafting pattern is decisive. In Imperial County, Cal Electric conveyed franchises with precision: the City of Calipatria franchise (Ordinance No. 44) with its Railroad Commission certificate; the Imperial County Board of Supervisors franchise (Ordinance No. 73-A) with its certificate; the pre-1911 constitutional franchises in Brawley, Calexico, El Centro, Holtville, and Imperial; and the dedication-map rights - every one an Imperial County instrument. (Parcel XXVII(a)-(d).)

For Riverside County, the partied did the opposite. Subparcel (e), the catch-all, conveys:

> "(e) Any and all rights of Company, howsoever acquired, to use or occupy public or private places for power lines, or other electric power or telephone purposes within Imperial County and said District Coachella Service Area not in this contract specifically excepted or reserved to Company; specifically EXCEPTING, however,

> those certain franchises granted by the Board of Supervisors of Riverside County, California, respectively, to Fred B. Mechling, predecessor of Company, by Ordinance No. 108, adopted June 17, 1911, and to The Southern Sierras Power Company, predecessor of Company by Ordinance No. 127 adopted August 9, 1916, provided that nothing in this exception shall be deemed to indicate any intent of Company or to confer any right on Company to sell or distribute electric power and energy in said District Coachella Service Area contrary to the provisions of this Agreement."

The only two Riverside County road franchises in existence were retained by Cal Electric – identified by grantee, ordinance number, and adoption date. The proviso merely restrained Cal Electric's use of its retained franchises during the 25-year covenant period; it transferred nothing to IID. The parties conveyed franchises meticulously where they intended conveyance and withheld the Riverside County franchises in the very same parcel.

No Riverside County franchise ever passed to IID - not in 1943, and not since. IID's assertion that it "acquired . . . the Coachella Service Area" confuses the purchase of poles, wires, and substations with the acquisition of territorial service authority. The 1943 Agreement conveyed the former and deliberately withheld the latter.

3. **What IID Actually Obtained Was a 25-Year Non-Competition Covenant - Not a Franchise, and Not Perpetual Territory**.

The "orders redefining the territorial boundaries" that IID's letter invokes prove our point, not IID's. Article 16(a) of the 1943 Agreement barred Cal Electric, "[f]or and during the period of twenty-five years from and after the date of this Agreement," from selling or distributing power in Imperial County or the District Coachella Service Area. Article 15 imposed mirror-image 25-year restrictions on IID. Articles 15(c) and 16(c) permitted modification only through commission-approved petitions:

> "Nothing . . . [shall] prevent the making of any future agreement between Company and District for the purpose of altering any part or provision of this Article . . . provided that such agreement shall not be valid unless or until the same is lawfully approved as to Company and District, respectively, by the Railroad Commission of the State of California and California Districts Securities Commission, or such other authorized bodies as may at the time have jurisdiction in the premises, by orders made pursuant to petitions of Company and District, respectively, in accordance with the provisions of applicable law."

Decision Nos. 36622 and 36623 (Sept. 22, 1943) made the arrangement effective. What they created was a fixed-term negative covenant against a single competitor, a mutual non-compete, effective only through commission approval, with a built-in expiration date. That is not a franchise, not a grant of service authority, and not a perpetual entitlement. It is a contract clock, and the clock ran out.

4. **The Covenant Was Renewed Twice and Expired on October 24, 2018. Nothing Has Replaced It**.

The Commission's decisions document the complete chain. Four supplemental agreements adjusted boundaries without extending the term: Decision No. 39231 (July 30, 1946) enlarged Cal Electric's service area into a small portion of Imperial County, with the Districts Securities Commission's companion order; Decision No. 57989 (Feb. 9, 1959) released a small portion of Cal Electric's Riverside County territory to IID; Decision No. 63542 (Apr. 10, 1962) released a portion of IID's service area to Cal Electric; and Decision No. 66087 (Oct. 1, 1963) approved the June 26, 1963 supplemental agreement.

Cal Electric merged into Southern California Edison in 1964. Facing the October 14, 1968 expiration, Edison and IID executed a new agreement dated November 28, 1967, continuing the established boundaries "from October 14, 1968, to October 14, 1993, inclusive," approved in Decision No. 73961 (Apr. 9, 1968) under Public Utilities Code sections 8101-8109. Decision No. 92985 (May 5, 1981) approved the 1979 amendment transferring several sections north of Palm Desert from IID to Edison.

Edison and IID then renewed a second and final time: the Amended and Restated Service Area Boundary Agreement, executed November 24, 1992 and approved in Decision No. 94-04-010 (Apr. 6, 1994) as "an extension of the current agreement that Edison and IID have been operating under for many years," which "extends to October 24, 2018." That is where the chain ends.

No application, petition, or decision approving any renewal or extension after October 24, 2018 appears anywhere in the Commission's dockets. A review of IID's own 2018 board resolutions confirms that no public hearing was held and no approval of any extension was adopted. The commission-approved service-area regime protecting IID's Coachella territory – the regime IID's June 24 letter describes as operative "[f]rom this point forward" – ran continuously from 1943 through successive renewals and ended on October 24, 2018. For nearly eight years, IID has had no service-area protection of any kind, and Edison has been free to serve the Coachella Valley. If IID contends otherwise, produce the instrument.

5. **The 1994 Extension Itself Stands on Doubtful Ground: Former Public Utilities Code § 8105 Required a Treasurer's Order That Appears Never to Have Issued**.

Even the final extension is infirm. When Decision No. 94-04-010 issued in April 1994, former Public Utilities Code § 8105 remained in force: the Commission's order was "not effective until" the State Treasurer, successor to the California Districts Securities Commission, issued its order limiting or defining the district's service area and approving the contract. The section was not repealed until January 1, 1997. (A.B. 2260, Stats. 1996, ch. 860.)

The Treasurer-approval step was observed in this very line as late as 1981 in Decision No. 92985 which recites that IID's directors sought the Treasurer's approval of the 1979 amendment, yet Decision No. 94-04-010 recites no Treasurer's order, and we have located none. If no such order issued, the 1994 extension was ineffective when approved and the regime's last valid protection expired earlier still. Either way, the terminus is long past. If a Treasurer's order exists, please produce it.

6. **Stripped of the 1943 Narrative, IID Stands on the Water Code – a Grant That Comes with Limits the 2025 Rate Increase Violates**.

IID's letter invokes its "broad statutory power." The Irrigation District Law does confer electric authority: Water Code § 22115 (acquisition and operation of plants for the generation, transmission, distribution, sale, and lease of electric power); Water Code § 22119 (distribution without regard to assessments); Water Code § 22120 (sale and distribution of power for use outside district boundaries). We do not dispute the grant. We hold IID to its structure, which imposes four limits IID's letter ignores.

First, the purpose limit. Irrigation districts are "state agencies formed and existing for governmental purposes." (Water Code § 20570.) IID's electric enterprise entered the law as an adjunct of water development – IID entered the power business in 1936 to exploit the All-American Canal's falling-water drops. Today IID's extraterritorial aspirations have swallowed the principal: more than sixty percent of IID's ratepayers reside in the Coachella Valley, outside IID's jurisdictional boundary, without a vote for the board that sets their rates. That inversion is why the Legislature has intervened repeatedly (A.B. 854; A.B. 2629; A.B. 1021; A.B. 2172).

Second, the external-regulation limit. Water Code § 22123 subjects any district providing electric power outside its boundaries to the "reasonable rules, regulations, and orders of the governing body of the city or county area being served," up to Public Utilities Commission-level restrictiveness. The Legislature built local control over IID's extraterritorial service directly into the grant. Riverside County and each Coachella Valley city hold that authority today.

Third, the rate limit - the heart of this dispute. Water Code § 22280 authorizes charges "for any service furnished by the district." Under article XIII C, § 1(e) of the California Constitution, as amended by Proposition 26, every levy is a tax unless IID proves it is a charge for a specific service provided directly to the payor "which does not exceed the reasonable costs" of providing that service - with the burden of proof on IID. A rate structure that extracts from Riverside County ratepayers amounts exceeding the reasonable cost of serving them is, as to the excess, a tax.

IID has no taxing jurisdiction over Riverside County, no Riverside County electorate from which voter approval could be obtained, and no mechanism to cure. On the record to date, IID has produced no geographic cost-of-service analysis supporting the 2025 increase as applied to Riverside County ratepayers. If one exists, please produce it.

7. **IID's Post-2001 Coachella Expansion - Including the Thousand Palms and Avenue 58 Substations and the Indio Projects - Required Riverside LAFCO Approval Under Government Code Section 56133. None Exists**.

Government Code § 56133, operative January 1, 2001, provides that "[a] city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from the commission." Its grandfather clause protects only "an extended service that a city or district was providing on or before January 1, 2001" (subd. (h)), and its exemption for local publicly owned electric utilities is expressly confined to electric services "that do not involve the acquisition, construction, or installation of electric" distribution facilities outside the utility's boundaries (subd. (i), added by A.B. 402, Stats. 2015).

The structure is deliberate: the Legislature spoke directly to publicly owned electric utilities operating outside their boundaries and drew the line at facilities. Service without new infrastructure is exempt; expansion by building distribution facilities is not - and subdivision (i) would be surplusage if Gov. Code § 56133 did not reach utility electric service at all, just as subdivision (h) cannot be read as a perpetual license for unlimited facility construction without swallowing subdivision (i)'s facilities line.

IID's current Coachella program is, on IID's own public description, facility-based expansion to additional customers: the Thousand Palms substation ($39.6 million to poer 8,000 additional customers); the Avenue 58 substation expansion in La Quinta ($23.2 million, 4,000 customers); and the four Indio-area projects on which IID broke ground in January 2026. Each involves construction of distribution facilities outside IID's jurisdictional boundary to reach customers not previously served.

We have located no request to, and no written approval from, Riverside LAFCO for any of them. If such approvals exist, produce them. In their absence, each project is service extended without lawful authorization – and the charges imposed to finance and recover those projects' costs are exactions for expansion the district was never authorized to undertake. IID should also be aware that, with Public Utilities Code §§ 8101-8108 boundary agreement expired since 2018, any IID extension into territory Edison serves confronts Public Utilities Code § 9607 without the shelter of § 9608's exemption.

8. **If IID Retreats to the 1934 Agreement, It Fares No Better**.

Should IID reverse course and re-embrace the instrument its June 24 letter disclaims, the instrument answers for itself. Section 17 of the 1934 Agreement of Compromise is a quitclaim compromise of Coachella Valley Water District's contingent canal power claims - rights the district "may now have or hereafter obtain" - contemplating a lease that, as adjudicated in *Coachella Valley Water Dist. v. Imperial Irrigation Dist*. (Oct. 1, 2007, D049610) [nonpublished opinion], was never executed.

The contemplated lease's term was not ninety-nine years; Section 17(a) fixes its termination at January 1, 2033, in all events. CVWD, a county water district, possessed no franchise or retail service authority over Riverside County territory to convey. And Section 19.B conditions any Coachella service founded on the instrument on a rate-parity covenant: power furnished "[t]o all consumers within Coachella District . . . at no higher rates than those charged, and under the same conditions and regulations as those prescribed, by Imperial District for like service to consumers within Imperial District," adjusted only for transmission-cost differences. Whichever foundation IID selects, the 2025 rate increase fails: under the Water Code, it is an unconstitutional extraterritorial tax to the extent it exceeds cost of service; under the 1934 Agreement, it breaches the parity covenant that comes with the territory.

We request a written response to these items, especially the agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists. We have made multiple requests to counsel and IID to no avail. Withholding the documents is not how to resolve these very important issue which the Board has a duty to investigate. Accordingly, please produce

(A). Any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists;

(B). State Treasurer's order under former P.U.C. § 8105 approving the November 24, 1992 Restated Service Area Boundary Agreement, or confirm in writing that none exists;

(C). Every request and written approval from, Riverside LAFCO under Gov. Code § 56133 for IID's post-2001 installation of electric facilities in Riverside County, including the Thousand Palms, Avenue 58 substations and Indio-area projects, or confirm in writing that none exists;

This letter is a continuing effort to resolve these issues short of litigation; it is not a complete statement of the facts or law, and all rights, claims, remedies, and theories are expressly reserved. Thank you for your prompt attention to these important issues.

Respectfully submitted,

Law Office of Sebastian Rucci, P.C.

Sebastian Rucci

Sebastian Rucci, Esq.

EXHIBIT 8

Letter from IID counsel (Allen Matkins) (7-29-26)

Allen Matkins

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<u>Via Email</u>

July 29, 2026

Sebastian Rucci, Esq.
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Sebastian@RucciLaw.com

Re: Your July 20, 2026, Letter

Dear Mr. Rucci:

This is in response to your correspondence to the Imperial Irrigation District ("IID") dated July 20, 2026 (the **"Letter**"), which replies to our June 24, 2026, letter (the "**Response Letter**") concerning the January 21, 2025, electric rate increase (the "**Rate Increase**") adopted by IID's Board of Directors (the "**Board**"). The Letter contends that the service area boundary regime between IID and Southern California Edison Company ("**SCE**") "ended on October 24, 2018," leaving IID with "no service-area protection of any kind" for nearly eight years. (Letter, p. 4.) On that premise, the Letter demands that IID produce three categories of documents or "confirm in writing that none exists." (Letter, p. 8.)

The premise is false, and the instrument that refutes it is one you possess and quote: the Amended and Restated Service Area Boundary Agreement between SCE and IID, executed November 24, 1992 (the "**Agreement**"). Article 4 of the Agreement extends its term automatically, five years at a time, unless a party gives one year's written notice of non-renewal. Neither party has given that notice. The Agreement extended by its own terms on October 14, 2018, extended again on October 14, 2023, and remains in full force and effect through at least October 14, 2028. Each of the Letter's demands fails alongwith its central premise.

I. ARTICLE 4 OF THE AGREEMENT EXTENDS ITS TERM AUTOMATICALLY, AND THE AGREEMENT REMAINS IN EFFECT THROUGH AT LEAST OCTOBER 14, 2028.

A. The Agreement Renews Itself; the Law Requires No Separate Renewal Instrument.

Articles 2 and 3 of the Agreement establish the parties' mutual service-area limitations "[f]or and during the period from October 14, 1993, to October 14, 2018, inclusive." (Agreement, arts. 2(a), 3(a).) Article 4 then provides in full:

> "*On October 14, 2018, and on each successive five (5) year anniversary of such date, the term hereof shall automatically be extended for an additional five (5) year period unless and until either party gives written notice to the other, at least one year prior to the expiration of the then current term, that the term hereof will not be extended for another five (5) year period.*" (Agreement, art. 4.)

The California Public Utilities Commission (the ("**Commission**" approved the Agreement—Article 4 included—in 1994. (Cal. Pub. Util. Com., Dec. No. 94-04-010 (Apr. 6, 1994), 54 Cal.P.U.C.2d 1 [order approving amended service area boundary agreement between SCE and IID].) That approval satisfied the Agreement's own effectiveness condition. (Agreement, art. 8.)

Since then, Article 4 has operated exactly as written: the term extended automatically on October 14, 2018, and again on October 14, 2023, and neither party has given the one-year written notice Article 4 requires to stop an extension. The Agreement remains in full force and effect through at least October 14, 2028, and will extend for successive five-year periods unless a party gives timely written notice of non-renewal. The date the Letter cites—October 24, 2018—appears nowhere in the Agreement; Article 4 fixes the date at October 14.

B. The Absence of Post-2018 Filings Confirms the Automatic Extension.

The Letter treats the absence of any post-2018 application, Commission decision, or IID Board resolution as proof that the Agreement lapsed. (Letter, p. 4.) The absence of renewal, however, proves the opposite. Article 4 makes each extension self-executing: it requires no application, no petition, no hearing, and no board action. The Agreement requires fresh Commission approval only for "any future agreement" made "for the purpose of altering any part or provision" of the service-area articles, and an automatic extension alters nothing. (Agreement, arts. 2(c), 3(c).) To the best of IID's knowledge, both parties have performed under the Agreement without interruption since 1993—SCE does not serve retail customers in the Coachella Service Area, and IID does not serve retail customers in SCE's territory—conduct explainable only if an agreement were in effect.

II. THE DEMAND FOR A STATE TREASURER'S ORDER COMES THREE DECADES TOO LATE.

The Letter demands a State Treasurer's order under former Public Utilities Code section 8105 approving the Agreement and argues that, absent one, "the 1994 extension was ineffective when approved." (Letter, p. 5.) The argument attacks, in 2026, the effectiveness of an agreement the parties executed in 1992 and the Commission approved in 1994. Any judicial challenge on that theory is untimely under any applicable limitations period and barred by laches. (See Code Civ. Proc., § 343 [four-year catchall period].) The law presumes that the Commission and every other official involved regularly performed their duties in approving the Agreement. (Evid. Code, § 664.) The Legislature, moreover, repealed the statute you invoke nearly thirty years ago. (Stats. 1996, ch. 860 [repealing former § 8105 effective January 1, 1997].) Both parties have performed under the Agreement ever since.

III. THE DOCUMENT DEMANDS FAIL ALONG WITH THE PREMISE, AND THE PUBLIC RECORDS ACT ADDS NOTHING.

Demand (A) seeks any "agreement, application, decision, or order renewing or extending the SCE-IID service area regime beyond October 24, 2018." (Letter, p. 8.) That instrument exists, is public, and sits in your file: the Agreement itself, operating through Article 4, as approved in Decision No. 94-04-010. Article 4 requires no separate renewal instrument, and none exists, because each extension is automatic. Demand (B) fails for the reasons stated in Section II. Demand (C) seeks Riverside LAFCO approvals under Government Code section 56133 that IID's service has never required, for the reasons stated in the Response Letter: IID has provided retail electric service in the Coachella Valley continuously since 1943, has not extended its service area since 2001, and falls within the statute's express exemptions. (Gov. Code, § 56133, subds. (e)(4), (e)(5); Response Letter, p. 8.) Any section 56133 question belongs before LAFCO, not in correspondence.

Finally, the Letter is not a properly submitted request under the California Public Records Act (Gov. Code, § 7920.000 *et seq*. [the "Act"]), and IID declines to respond to demands that IID "confirm in writing that" an unneeded and entirely irrelevant renewal or extension exist. Note that while Act provides access to existing, identifiable public records; it does not obligate an agency to answer interrogatories, certify negatives, or create records.

IID also notes the volume of repeated, overlapping demands you have directed at the District, its Board, and its counsel across multiple matters. A court shall award a public agency its court costs and reasonable attorney's fees when a requester pursues a clearly frivolous case under the Act. (Gov. Code, § 7923.115, subd. (b).) IID reserves all rights and remedies in this regard.

IV. CONCLUSION.

The Letter rests on a premise that Article 4 of the Agreement refutes on its face: the Agreement remains in full force and effect through at least October 14, 2028, and each of the

Letter's demands fails alongside that premise. IID's positions concerning the Rate Increase remain as stated in the Response Letter, which IID incorporates here, and any challenge to the Rate Increase remains time-barred and fails on the merits. (Wat. Code, § 22651.5; *Webb v. City of Riverside* (2018) 23 Cal.App.5th 244, 252, 255.) IID is confident in the legal and factual basis for its rates and its service and is prepared to defend both.

Very truly yours,

Mark R Hartney

Mark R. Hartney

EXHIBIT 9

Letter from Petitioner's Counsel to IID Board and Counsel (8-02-26)

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August 2, 2026

Via Email
Imperial Irrigation District Board of Directors and Counsel
333 E. Barioni Blvd., Imperial, CA 92251

JB Hamby (jbhamby@iid.com); Karin Eugenio (kseugenio@iid.com); Alex Cardenas (aacardenas@iid.com); Gina Dockstader (gndockstader@iid.com); Lewis Pacheco (lapacheco@iid.com); Mark Hartney (mhartney@allenmatkins.com); Jamie Asbury (jlasbury@iid.com); Wayne Strumpfer (wkstrumpfer@iid.com).

RE: **Reply to IID's July 29, 2026 Response; Public Utilities Code §§ 8105 and 9607; Government Code § 56133**

To the Board of Directors of the Imperial Irrigation District and Counsel:

On July 20, 2026, we asked IID to provide documentation that it secured approval from the California Public Utilities Commission for its Riverside County retail electric operations in 2018, at the close of the third 25-year term of its 1943 service-area agreement with Southern California Edison's predecessor in interest, California Electric Power Company. IID's July 29, 2026 response argued that its amendment with Edison in 1992 does not require an extension in 2018 because the extension is automatic and requires "no application, no petition, no hearing, and no board action."

IID did not provide nor confirm the existence of the State Treasurer's approval of IID's second 25-year extension with Edison in 1994. IID instead argued that our challenge is untimely. But that is the last CPUC approval regarding IID's Riverside service area. IID did not secure approval from the CPUC or from LAFCO to comply with its 2001 statutory obligations. Our challenge is timely: Decision No. 94-04-010 is the very CPUC order on which IID presently relies for its Riverside County service territory. The lapse of time does not produce approval that does not exist.

Hence, the last order regarding IID's Riverside service area was 32 years ago and that approval lacked the State Treasurer's mandatory approval. In 1994, Public Utilities Code § 8105 provided that "any such order of the Public Utilities Commission **shall not be effective** until the State Treasurer has issued its order . . . approving the contract." For fifty years, parallel approvals were secured by IID from the state agency supervising it, until the extension with Edison in 1994. It appears from the record that IID's Riverside service-area authority lapsed on October 14, 1993, when the 50-year term expired.

1. **IID's Commission-Approved Riverside Service Area Lapsed on October 14, 1993; The 1994 Order Lacked State Treasurer's Approval Under Pub. Util. Code § 8105**.

When Decision No. 94-04-010 issued on April 6, 1994, former Public Utilities Code § 8105 remained in force. It provided that an order of the Public Utilities Commission "**shall not be effective until** the State Treasurer has issued its order limiting the area to be served or defining the area not to be served by the irrigation district and approving the contract or conditions, if any, in connection therewith."

Section 8105 stated an express statutory condition of effectiveness, not an optional filing. The historical record confirms that IID and its counterparty satisfied that dual-approval requirement at every prior stage for fifty years. Edison, or its predecessor, secured approval from the Railroad Commission and later the Public Utilities Commission; IID secured approval from the California Districts Securities Commission and later the State Treasurer.

Dual approval was mandated by statute and by the 1943 agreement itself, which provided that any extension or amendment "**shall not be valid unless or until** the same is lawfully approved as to Company and District, respectively, by the Railroad Commission of the State of California [predecessor to the CPUC] and California Districts Securities Commission, or such other authorized bodies as may at the time have jurisdiction."

In 1943, the California Railroad Commission issued Decision No. 36623, the first decision approving the agreement between IID and California Electric Power Company. It stated that "[a]ny order issued by this Commission limiting the area to be served by a public utility **shall not become effective until** the California Districts Securities Commission also shall have issued an order limiting the area to be served by the Irrigation District." The same decision recited that, under the 1943 agreement, any amendment between the parties "**shall not be valid unless or until** the same is lawfully approved as to Company and District, respectively, by the Railroad Commission of the State of California and California Districts Securities Commission, or such other authorized bodies as may at the time have jurisdiction."

Decision No. 36623 restricted California Electric and IID from serving in each other's designated territories for 25 years. Four subsequent decisions, Nos. 39231, 57989, 63542, and 66087, modified the boundaries through supplemental agreements, each one confirming that CPUC approval was contingent upon IID securing approval from the California Districts Securities Commission under Public Utilities Code § 8105, or its predecessor provision.

When IID and California Electric amended their boundary in 1963, Decision No. 66087, dated October 1, 1963, stated that the "Supplemental Agreement will become effective as to applicant only upon approval by this Commission, and as to Imperial Irrigation District by approval of the California Districts Securities Commission in accordance with the provisions of applicable law. Section 8105 of the Public Utilities Code reads as follows: 'Such limitations on the utility contained in any such order of the Public Utilities Commission **shall not be effective until** the California Districts Securities Commission has issued its order...' Applicant will be required to notify this Commission when the California Districts Securities Commission has issued its order."

In 1968, when the Commission approved the first 25-year renewal, Decision No. 73961, dated April 9, 1968, recited that CPUC approval was contingent upon approval by the California Districts Securities Commission under Section 8105 of the Public Utilities Code.

> "The agreement provides that it shall not be valid until approved by this Commission and the California Districts Securities Commission in accordance with the provisions of applicable law.
>
> Section 8105 of the Public Utilities Code reads as follows: 'Such limitations on the utility contained in any such **order of the Public Utilities Commission shall not be effective until** the California Districts Securities Commission has issued its order limiting the area to be served or defining the area not to be served by the irrigation district and approving the contract or conditions, if any, in connection therewith as set forth in the petition and contract.'
>
> California Districts Securities Commission, by its order No. 125, dated January 19, 1968, approved and fixed the area of District in accordance with the agreement attached to the petition as Exhibit A."

After the Districts Securities Commission was abolished and its duties transferred to the State Treasurer, IID followed the identical process. When IID and Edison amended their boundary in 1979, Decision No. 92985, dated May 5, 1981, recited that IID secured the Treasurer's approval: "District's directors requested the Treasurer of the State of California to approve the amendment to the agreement limiting and defining the service area boundaries of the District. The State Treasurer issued Order No. 128 on December 12, 1980 approving the amendment to the agreement."

In 1943, 1963, 1968, and 1981, the decisions expressly identified the parallel approval by the agency then supervising IID. Decision No. 94-04-010 identifies no State Treasurer order, does not mention § 8105, and states only that the Commission approved the Agreement. IID's July 29 response identifies no Treasurer's order and argues instead that any challenge is untimely.

The expansion, however, continues, and the **defective decision is the last one issued by the Commission** regarding IID's authority over Riverside territory. **No CPUC order since 1994 has broken the chain**. The uniform practice of reciting the parallel approval in 1943, 1963, 1968, and 1981, and its conspicuous absence in 1994 rebuts any presumption that the Treasurer's order exists. (see Evid. Code, §§ 664, 660). If the Treasurer's order exists, it is a public record, and IID has declined to produce it.

IID's response does not answer whether IID presently possesses an effective exclusive service territory in Riverside, or whether its current and continuing extraterritorial operations in Riverside comply with existing law. Our challenge is prospective and directed at ongoing conduct. Each new facility IID constructs and each new premises it connects in Riverside County is a discrete present act, and laches does not excuse IID from holding a statutorily required approval today.

The 1996 repeal of Public Utilities Code § 8105 (A.B. 2260, Stats. 1996, ch. 860, eff. Jan. 1, 1997) came years after **IID's 50-year service-area authority over Riverside County expired on October 14, 1993**. Repeal does not validate a CPUC order that failed to satisfy § 8105 when it issued. At all times relevant, former Public Utilities Code § 8105 provided that any "such order of the Public Utilities Commission **shall not be effective until** the State Treasurer has issued its order." The 1943 agreement between IID and Edison's predecessor independently provided that any extension or amendment "**shall not be valid unless or until** the same is lawfully approved" by the Commission as to the utility and by the "California Districts Securities Commission, or such other authorized bodies as may at the time have jurisdiction" as to IID.

The consequence is that IID's compliance problem did not begin in 2018, as our earlier correspondence framed it. On IID's own account, **the defect reaches back to October 14, 1993**. Over the thirty-three years since, IID has expanded an extraterritorial electric operation in Riverside County that now dwarfs its jurisdictional territory in Imperial County, without state oversight of any kind.

2. **Since January 1, 2001, IID Has Constructed and Operated in Riverside County Without the Commission Approval Required by Public Utilities Code § 9607(b)**.

Independent of the foregoing, IID did not secure the mandatory approval from the CPUC required after January 1, 2001. In 2000, the Legislature enacted Public Utilities Code § 9607. (A.B. 2638, Stats. 2000, ch. 1042, eff. Jan. 1, 2001.) Subdivision (b) provides:

> "[A]n irrigation district that offered electrical service to retail customers as of January 1, 1999, **may not** construct, lease, acquire, install, or operate facilities for the distribution or transmission of electricity to retail customers located in the service territory of an electrical corporation providing electrical distribution services, **unless the district has first applied for and received the approval of the commission** and implements its service consistent with the commission's order."

Approval is not ministerial. The Commission may grant it only "after notice and hearing" and only upon determining all seven matters enumerated in § 9607(b)(1) through (b)(7), including universal service at published tariff rates on a nondiscriminatory basis. Because IID was providing retail electric service in Riverside County on January 1, 1999, it has been obligated since January 1, 2001 to secure Commission approval under § 9607(b).

IID's July 29, 2026, response relies on Decision No. 94-04-010 as satisfying § 9607. Setting aside the defects in the 1994 decision identified above, the April 6, 1994 decision was issued six years before § 9607 was enacted. It involved no notice, no hearing, and none of the seven findings § 9607(b) later required. The 1994 boundary approval was not and could not have been issued pursuant to a statute that did not take effect until 2001. IID identifies no later proceeding, in the quarter century since, in which the Commission held the required hearing or made the required findings under § 9607(b).

IID's response asserts that IID "has not extended its service area since 2001." The statute does not speak in terms of a service area. Public Utilities Code § 9607(j) provides that the section shall not apply to facilities for the distribution or transmission of electricity "to customers electrically connected to a district as of December 31, 2000, or to other customers who subsequently locate at the same premises."

The grandfather runs to customers and to premises. It does not freeze a map. IID has extended electric service to a very large number of newly constructed homes and other new premises in Riverside County since December 31, 2000. Those connections are neither service to customers electrically connected as of December 31, 2000 nor service to later occupants of the same premises. Whether IID's outer boundary line moved is not the statutory question and not one we challenge. IID's compliance defects under Public Utilities Code § 9607(b) reach back a quarter century to January 1, 2001 and that is the issue that IID has failed to address. As outlined in the prior section the underlying service-area defects under Public Utilities Code § 8105 actually reach back further still, to October 14, 1993.

3. **Since January 1, 2001, IID Has Expanded in Riverside County Without the LAFCO Approval Required by Government Code § 56133**.

Independent of the foregoing, IID did not secure the mandatory county approval from LAFCO reenacted in the Cortese-Knox-Hertzberg Act (Stats. 2000, ch. 761). Government Code § 56133 requires LAFCO approval before a district provides new or extended services outside its jurisdictional boundaries. IID's response does not claim compliance. Instead, IID asserts that it "has not extended its service area since 2001, and falls within the statute's express exemptions. (Gov. Code, § 56133, subds. (e)(4), (e)(5).)"

Gov. Code, § 56133(e)(4) exempts "[a]n extended service that a city or district was providing on or before January 1, 2001." It addresses service actually being provided by that date. It does not exempt every future extension to newly constructed homes, new premises, or previously undeveloped areas that happen to fall within a claimed service-area boundary.

Section 56133(e)(5) is narrower still. It exempts a local publicly owned electric utility "providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary." By its terms, the exemption is unavailable whenever the utility acquires, constructs, or installs distribution facilities outside its jurisdictional boundary. The substations IID has built and is building in Riverside County are the paradigm case of what (e)(5) excludes.

IID's own public statements describe facility-based extraterritorial expansion. IID has described the Thousand Palms substation as a $39.6 million project serving approximately 8,000 additional customers, and the Avenue 58 substation expansion in La Quinta as a $23.2 million project serving approximately 4,000 additional customers. Director Cardenas has publicly described joint powers agreements with Coachella, Indio, and La Quinta "that include cost-sharing programs so that we can build substations and they can build homes," and has stated that developers are "knocking on our door right now for an additional 500 megawatts."

Chairwoman Eugenio has described a Coachella Valley surcharge that "allows them to buy their own substations and transformers in order to subsidize the growth they need." Each of these is a description of the acquisition, construction, or installation of electric distribution facilities outside IID's jurisdictional boundary, and each falls outside the exemptions IID invokes. IID's compliance problem at the county level reaches back a quarter century, to January 1, 2001.

4. **IID Prefers Extraterritorial Customers Over In-Boundary Customers in Violation of Public Utilities Code § 9607(f)**.

In 2000, the Legislature enacted Public Utilities Code § 9607, subd. (f), effective January 1, 2001. It provides: "An irrigation district may not offer service to customers outside of its district boundaries before offering **service to all customers within its district boundaries**." One of the best examples of IID favoring extraterritorial customers over those within its boundaries is the statement by IID Director Cardenas at the May 7, 2026 candidate forum:

> "Seventy percent of the 160,000 meters are located in Coachella Valley. They're knocking on our door right now for an additional 500 megawatts . . . We have all kinds of development there . . . And now cities like Coachella, Indio, and La Quinta have entered into joint powers agreements with IID that include cost-sharing programs so that we can build substations and they can build homes."

IID Chairwoman Karin Eugenio at the May 14, 2026 candidate forum similarly made statements favoring extraterritorial customers over those within IID's boundaries:

> "J.B. Hamby and I have spent years in Coachella Valley establishing what are called Joint Powers Agreements, or JPAs. The City of Indio was the first to sign one. The City of La Quinta entered into a cost-sharing agreement. The City of Coachella signed one. Riverside County, Indio, and La Quinta helped establish what is called the Coachella Valley Power Authority. . . . It allows them to buy their own substations and transformers in order to subsidize the growth they need."

While IID extends service to new extraterritorial customers, it has withheld service from a qualified applicant inside its boundaries. Public Utilities Code § 9607(f) requires "**service to all customers within its district boundaries**" as a condition precedent to IID providing service in Riverside, outside its jurisdictional territory.

Section 32.4 of IID's Open Access Transmission Tariff, titled "Facilities Study Procedures," provides that the Facilities Study will be completed "within a sixty (60) day period." Power Engineers' facility study was completed on February 12, 2026, and complies with IID's OATT, and IID still has not approved it. The facility study does not require final substation design; that occurs later. Under IID's OATT § 32.4, IID was required to proceed after completion of the facility study, at which point IVCM would have "thirty days to execute a Service Agreement."

IID has refused to approve the facility study, now pending more than one year, and has refused to issue the will-serve letter for the Imperial Data Center project. IID's Directors have stated publicly they oppose serving the data center project. At the same time, IID continues to prefer extraterritorial expansion over in-boundary service, in open violation of § 9607(f). IID continues to withhold action on a completed facility study and continues to withhold the will-serve letter that its own tariff and executed agreement require for a customer located within IID's boundaries in Imperial County.

IID's conduct violates Public Utilities Code § 9607(f). The violation is continuing, and directly injures IVCM. Every day of extraterritorial offers and extensions while IVCM stands unserved inverts the statutory priority the Legislature fixed. We therefore renew our request that IID complete the facility study and issue the will-serve letter for the Imperial Data Center project. Yesterday, July 31, 2026, marked one full year since IID first stated that the facility study would be completed within six weeks.

5. **Conclusion**.

IID's July 29, 2026 response confirms that the State Treasurer's approval under § 8105 was not obtained, invalidating CPUC's approval of the extension in 1994. Accordingly, **IID's Riverside authority lapsed on October 14, 1993**, when the 50-year term expired.

In 2000, the Legislature restricted extraterritorial expansion by irrigation districts at both the state and county levels, through Public Utilities Code § 9607 and Government Code § 56133. IID did not comply with any post-2000 extraterritorial approvals under § 9607(b) or under § 56133. IID's argument that it is exempt fails to recognize that § 9607(j) only exempts service "to customers electrically connected to a district as of December 31, 2000, or to other customers who subsequently locate at the same premises." Gov. Code § 56133(e)(4) only exempts "extended service" that IID "was providing on or before January 1, 2001" and § 56133(e)(5) is not applicable because IID's expansion involves the "acquisition, construction, or installation of electric distribution facilities . . . outside of the utility's jurisdictional boundary."

We suggest that IID consider resolving these issues in closed session at its upcoming meeting this Tuesday, August 4, 2026. The Board has a duty to investigate the serious allegations identified in this letter, and the previously circulated CPUC complaint. We expect to hear from counsel by noon on Wednesday, August 5, 2026 of IID's decision to resolve these issues. We remain willing to discuss a practical resolution, including completion of the facility study and issuance of the will-serve letter for the Imperial Data Center.

If we do not receive notice of a meeting by that time, we will file a verified CPUC complaint addressing the defects in Decision No. 94-04-010, confirming that IID's Riverside service-area authority lapsed on October 14, 1993, when the 50-year term expired. The complaint will also address IID's extraterritorial expansion since 2001, and the violations of Public Utilities Code § 9607. IID has expanded extraterritorially without state approval for a third of a century, and without county approval for a quarter century.

We will also pursue IID's noncompliance with Government Code § 56133 in Riverside County Superior Court. IID's post-2000 expansion has been violating § 56133 for a quarter century. The state and county violations make the jurisdiction of the recent JPAs suspect and they will be challenged with the LAFCO complaint in Riverside County Superior Court. We are also prepared to file a complaint with FERC regarding IID's undue discrimination in the administration of its Open Access Transmission Tariff. The public statements of IID's directors are set out in those filings.

Lastly, without jurisdiction, it is apparent that IID's rates in Riverside are an unconstitutional tax in violation of Proposition 26, and we will include that issue as a separate challenge. IID's untimeliness argument does not answer any of this. The passage of time does not confer jurisdiction that lapsed in 1993. In the end, IID will have to prevail on the argument that its extensive expansion is grandfathered. The grandfather runs to customers and premises, not to territory, and a very large number of IID's Riverside connections were made after October 14, 1993.

Pre-litigation copies of our filings are available upon request. This letter is part of a continuing effort to resolve these issues without litigation. All claims, rights, and remedies are expressly reserved.

Respectfully submitted,

Law Office of Sebastian Rucci, P.C.

Sebastian Rucci

Sebastian Rucci, Esq.

EXHIBIT 10

IID JURISDICTIONAL BOUNDARY AND EXTENDED ELECTRIC SERVICE TERRITORY

IID JURISDICTIONAL BOUNDARY AND EXTENDED ELECTRIC SERVICE TERRITORY

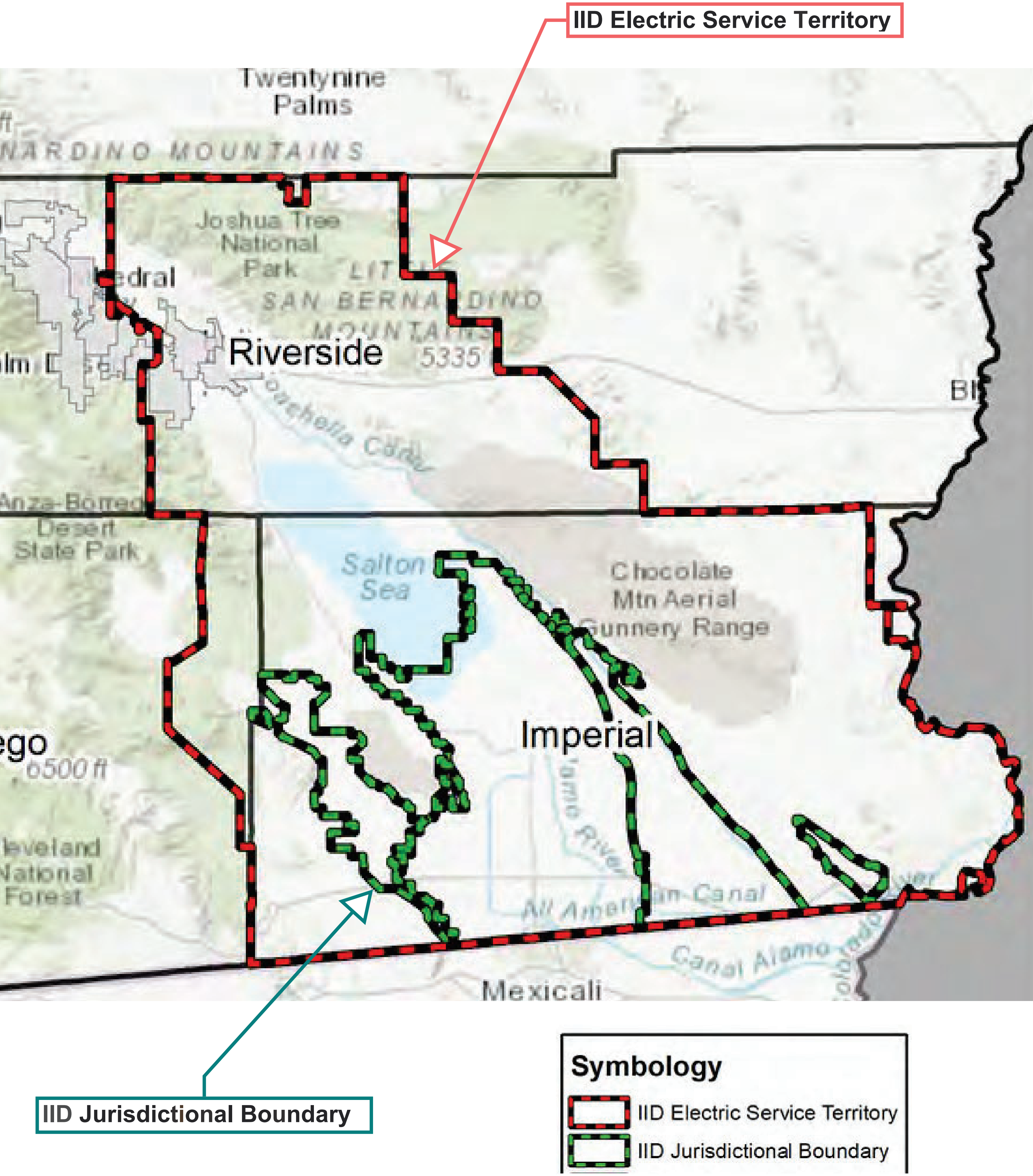


EXHIBIT 11

IID ELECTRICAL SERVICE FOR THE COACHELLA VALLEY, RIVERSIDE COUNTY

IID ELECTRICAL SERVICE FOR THE COACHELLA VALLEY, RIVERSIDE COUNTY

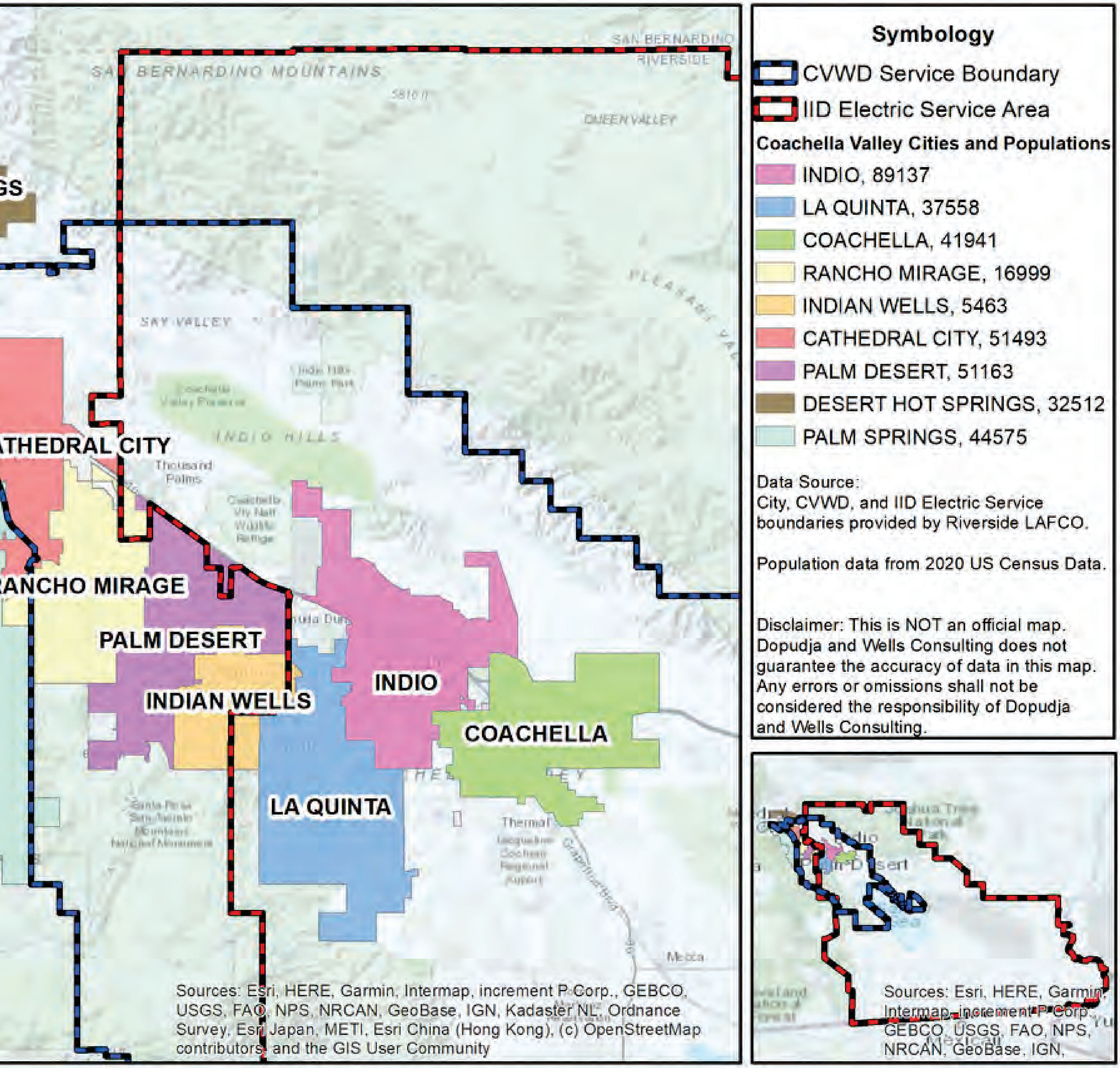


EXHIBIT 12

1971 Cal Public Utilities Code § 8105
State Treasurer Language

https://clerk.assembly.ca.gov/historical-information/archive-list/statutes-and-amendments-codes-1971 value and use as bonds issued by any municipality and shall be exempt from all taxation within the state.

All bonds issued by any area payable from taxes are legal investments for all trust funds, for the trust funds of all insurance companies, the state school funds, and any funds which may be invested in bonds of cities, counties, cities and counties, school districts, or municipalities in the state.

Whenever the board of supervisors declares by resolution that it deems it desirable that any bonds issued or to be issued by the area should be certified by the State Treasurer as provided in this section, the board shall file a certified copy of the resolution with the State Treasurer and the bonds described in said resolution shall then be subject to investigation and certification by the State Treasurer. If in the opinion of the State Treasurer the bonds are adequately secured and the revenues and other funds applicable to the payment of the bonds are, or upon the acquisition, construction or improvement of the enterprise for which such bonds were or are to be issued, will be, sufficient to pay the principal of and interest on such bonds the State Treasurer shall certify that such bonds are legal investments for all trust funds, for the funds of all insurance companies, the state school funds, and any funds, other than funds of savings banks, which may be invested in bonds of cities, counties, cities and counties, school districts or municipalities in the state.

SEC. 10. Section 8105 of the Public Utilities Code is amended to read:

8105. Such limitations on the utility contained in any such order of the Public Utilities Commission shall not be effective until the State Treasurer has issued its order limiting the area to be served or defining the area not to be served by the irrigation district and approving the contract or conditions, if any, in connection therewith as set forth in the petition and contract.

SEC. 11. Section 8109 of the Public Utilities Code is amended to read:

8109. Nothing in this article shall be construed to give to or vest in the Public Utilities Commission any jurisdiction over irrigation districts or to vest in or give to the State Treasurer any jurisdiction over utilities other than irrigation districts.

SEC. 12. The heading of Article 2 (commencing with Section 8126) of Chapter 6 of Division 4 of the Public Utilities Code is amended to read:

Article 2. Designation by State Treasurer

SEC. 13. Section 8127 of the Public Utilities Code is amended to read:

8127. Any irrigation district, formed under the laws of this state, may petition the State Treasurer, setting forth, among other things in its petition, the following:

EXHIBIT 13

Decision No. 94-04-010 (1994 Lexis)
Third 25 Year Extension

[1994 Cal. PUC LEXIS 250; 54 CPUC2d 1]

California Public Utilities Commission

April 6, 1994

Decision No. 94-04-010, Application No. 93-08-015 (Filed August 9, 1993)

CA Public Utilities Commission ***Decisions***

Reporter
1994 Cal. PUC LEXIS 250 *; 54 CPUC2d 1

In the Matter of the Application of Southern California Edison Company (U 338-E) For Approval of Amended And Restated Service Area Boundary Agreement With Imperial Irrigation District

Core Terms

was, restate, amended agreement, clarify, ratepayer, territory, imperial, update

Panel: Daniel Wm. Fessler, President; Patricia M. Eckert, Norman D. Shumway, P. Gregory Conlon, Jessie J. Knight, Jr., Commissioners

Opinion

OPINION

Request

Southern California Edison Company (Edison) requests Commission approval of the Amended and Restated Service Area Boundary Agreement (restated agreement) with the Imperial Irrigation District (IID), which was entered into by the parties on November 24, 1992. It updates and extends to October 24, 2018, the terms of the existing service area boundary agreement (1968 agreement) between Edison and IID which expired on October 14, 1993.

The restated agreement was filed with the Commission on August 9, 1993. Notice of filing of the application appeared in the Commission's Daily Calendar on August 11, 1993. There have been no protests or requests for hearing; therefore, a hearing is not necessary.

Background

The 1968 agreement was executed on November 28, 1967, effective from October 14, 1968 to October 14, 1993, and was approved by Decision (D.) 73961 dated April 9, 1968. In that decision, we concluded that the agreement was not adverse to the public interest and should be authorized.

The 1968 agreement was actually a renewal [*2] of a 1943 agreement between IID and California Electric Power Corporation (CEP), which merged with Edison in 1964, with the result that Edison inherited CEP's rights and obligations under the 1943 agreement. The 1968 agreement ceded CEP service territory to IID for valuable consideration and defined the service territories each company was to serve.

An Interpretive Supplement No. 1 was executed on September 5, 1972 to clarify the parties' intent that neither be restricted from providing transmission service and making bulk power sales for resale.

The 1968 agreement was amended on November 23, 1976 to modify the definition of the "District Coachella Service Area" because of the potential for construction of a Sohio Transportation Company pumping plant.

On September 4, 1979, Amendment No. 2 was executed to again change the definition of the "District Coachella Service Area."

The restated agreement incorporates the amendments and interpretation of 1972, 1976 and 1979, and has no alterations except for minor language changes to clarify that it does not restrict wholesale power sales by IID to utilities other than Edison.

Discussion

As is common with such agreements over an [*3] extended period of time, the restated agreement includes modifications and amendments, and interpretations made to clarify the intent or to address specific needs, such as the Coachella area.

After reviewing the associated documents, we conclude that the restated agreement is effectively an extension of the current agreement that Edison and IID have been operating under for many years. We are satisfied that it is not adverse to the interests of Edison's ratepayers, and will approve the extension.

Findings of Fact

1. The amended agreement is substantially an updated extension of the 1968 agreement.

2. The amended agreement is not adverse to the interests of Edison's ratepayers.

3. Because of the need to implement the restated agreement as soon as possible, this order should be effective on the date signed.

Conclusion of Law

The amended agreement should be approved.

ORDER

IT IS ORDERED that the Amended and Restated Service Area Boundary Agreement between Southern California Edison Company and the Imperial Irrigation District is approved.

This order is effective today.

Dated April 6, 1994, at San Francisco, California.

CA Public Utilities Commission Decisions

End of Document

EXHIBIT 14

EXECUTIVE SUMMARY IID RATE STUDY (NOV. 25, 2024)

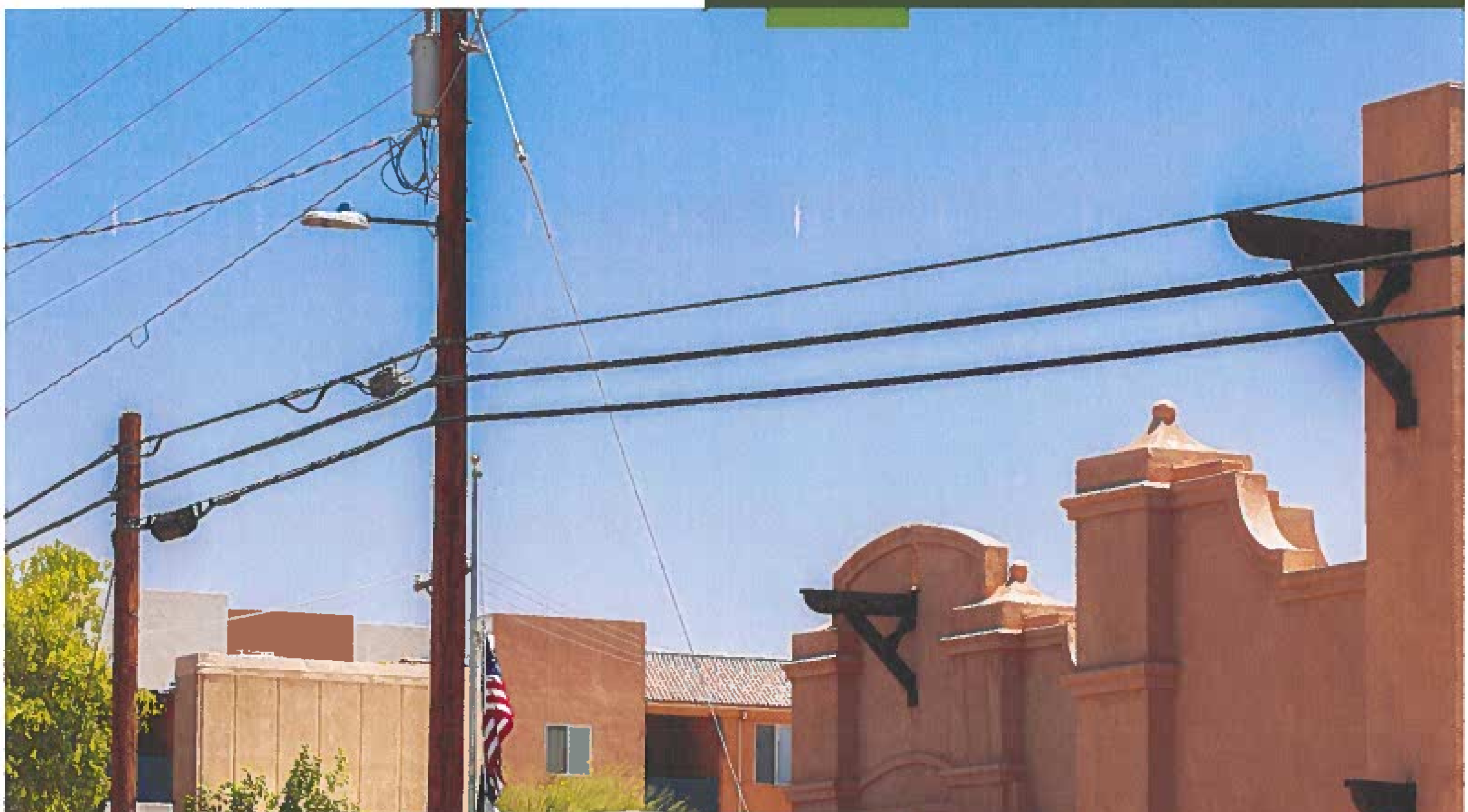
Executive Summary only.

The full study appears at page 65 of the Board packet, at

https://www.iid.com/home/showpublisheddocument/22707/638697241204600000

NewGen Strategies & Solutions

www.newgenstrategies.net



FINAL REPORT

ELECTRIC RATE STUDY

NOVEMBER 2024

IID

A century of service.

Prepared for:
Imperial Irrigation District
Imperial, California

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EXECUTIVE SUMMARY

Introduction

In January 2024, NewGen Strategies and Solutions, LLC (NewGen) was retained by Imperial Irrigation District (IID) to perform an Electric Cost of Service (COS) and Rate Design Study (Study) for the Electric Utility. As part of this Study, NewGen's Project Team (Project Team) developed a five-year financial forecast including revenue requirements, recommended debt issuances, and rate changes from fiscal year (FY) 2024 through FY 2028 (Study Period). The goal was to evaluate and identify the optimal combination of debt and rate (i.e., cash) funded portions of the capital program while maintaining financial stability over the five-year planning period.

This report contains five sections as follows:

- Section 1 – Provides an introduction and brief background.
- Section 2 – Discusses the development of the revenue requirement.
- Section 3 – Provides the COS results.
- Section 4 – Presents the proposed electric rates.
- Section 5 – Summarizes conclusions and recommendations.

Utility Description

IID is a consumer-owned utility that provides electric and water services to the Imperial Valley and electric services to the Coachella Valley in Southern California. IID is governed by a Board of Directors that consists of five publicly elected board members. The IID Board of Directors appoint a President and Vice-President to serve one-year terms. IID's last Electric Utility Rate Study was presented to the Board in 2014, and rate increases were approved for 2015.

The Electric Utility is projected to serve an average of approximately 164,000 retail electric customers with average annual retail sales of approximately 3,500,000 megawatt-hours (MWh) of electricity during the Test Year or on average over the Study Period.

The Electric Utility provides power to its customers through a combination of IID-owned generation, purchase power contracts, and market purchases. Currently, IID owns and operates the El Centro steam plant, the Yucca steam plant, the Niland Gas Turbine, and the Coachella Gas Turbine, as well as purchase power contracts for renewable energy.

The Electric Utility's transmission system consists of approximately 269 miles of 34 kilovolt (kV) and higher voltage lines, none of which are underground. The Electric Utility distribution system consists of approximately 2,482 miles of line, of which approximately 51% are underground.

Cost of Service and Rate Design Process Overview

The COS and rate design process includes five steps as follows:

1. *Determination of the Revenue Requirement* – This first step examines the utility's financial needs and determines the amount of revenue that must be generated from rates. For municipal utilities, the

revenue requirement is determined on a "cash basis." A "cash basis" analysis examines the cash obligations of the utility such as operations and maintenance (O&M) expenses, debt service, cash funded capital projects, and City Transfers. Rates are set such that the utility can pay its bills on an annual basis going forward.

In preparing our analysis of the electric rates and the development of the revenue requirement, NewGen relied upon IID's historical audited financial statements, the 2024 Budget, records of operation, customer billing data, and other detailed information and data compiled and provided by IID's management and staff.

2. *Functionalization and Sub-functionalization of Costs* – After it is created, the revenue requirement is then assigned to the particular function or sub-function of the utility. Electric utilities like IID typically have power supply, transmission, distribution, and customer services functions. Power Supply sub-functions may include utility-owned generation or purchased power from contracts or the market. Distribution sub-functions may include distribution infrastructure by voltage, metering, billing, collection, etc. Customer sub-functions may include billing and collections, customer service, meter reading, etc.
3. *Classification of Costs* – Once costs are functionalized, they are then classified based on their underlying nature. Of particular importance is the determination of fixed versus variable costs. Fixed costs remain a financial obligation of the utility regardless of the amount of energy produced whereas variable costs fluctuate based on system energy requirements. Further, fixed and variable costs are associated with utility requirements to meet customer demand, energy, and customer service needs.
4. *Allocation of Costs* – Once costs are classified, they are then allocated to the various customer classes. Allocation factors align with cost classification. Therefore, demand-related costs are allocated on measures of class demand such as class contribution to the system coincident peak (CP). Energy allocation factors are based on energy consumed by customers. And customer allocation factors are based on the number of customers.

These first four steps in the COS process are depicted in the figure below.

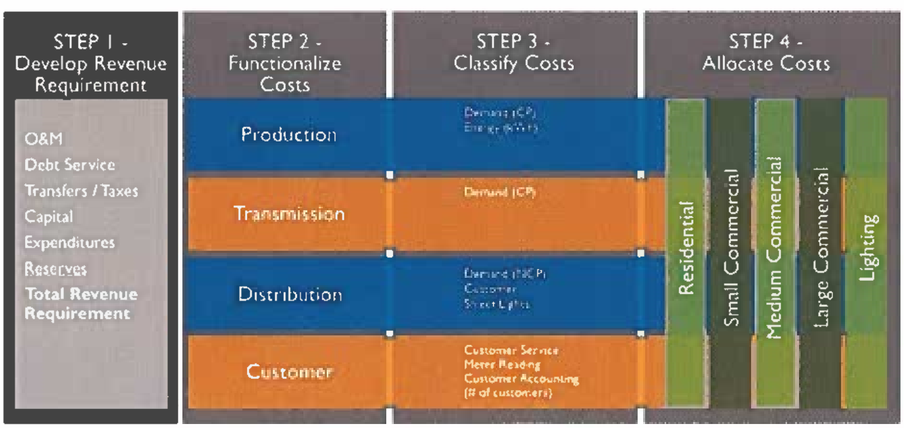

Figure ES-1. Typical Cost of Service Process

5. *Rate Design* – The fifth and final step is rate design, which translates COS results into rates for each customer class.

Revenue Requirement

NewGen utilized the 2024 budget expenses account detail provided by IID (2024 Budget) to develop the base year for the financial forecast model and subsequent projections. The 2024 Budget was used to first develop detailed account data for the base year, then to project data for the Study Period (2024 through 2028). After review and discussion with IID staff, the Project Team adjusted the 2024 Budget data to account for any unusual or one-time expenses. Projected non-recurring expenses or revenues were identified and incorporated in the financial forecast, as appropriate.

Based on the financial forecast model, NewGen developed a Test Year Revenue Requirement. The Test Year Revenue Requirement reflects the Electric Utility's total cost of providing electric utility services to various rate classes that must be recovered through rate revenues. The Test Year Revenue Requirement was calculated by developing an average of the Electric Utility's costs or revenue requirements for the Study Period. Based on the Test Year, NewGen calculated the difference between the projected revenues and the revenue requirement. Table ES-1 summarizes the forecasted operating expenses and revenue requirements for the Electric Utility over the Study Period. The Test Year Revenue Requirement of $754,944,499 is the five-year average of the annual revenue requirements. The increases in the annual revenue requirements are primarily driven by capital needs and associated increases in debt service to fund the capital projects. Please note that the actual Test Year Revenue Requirement and the five-year average will differ slightly from what is shown in Table ES-1 due to adjustments in interest income (Other Income) after increases in revenues from rates and additional contributions to IID's cash reserves that are required.

Table ES-1
Revenue Requirement (1)

Account	Year 1 FY 2024	Year 2 FY 2025	Year 3 FY 2026	Year 4 FY 2027	Year 5 FY 2028
O&M Expenses (2)	$581,158,677	$551,818,402	$570,066,300	$621,528,559	$655,020,413
Debt Service (3)	$42,174,229	$50,737,385	$66,105,900	$77,627,696	$82,094,245
Capital Paid from Current Earnings	$41,717,355	$59,426,979	$160,086,082	$163,647,399	$189,830,992
Other Expenses/(Income) (4)	($48,401,662)	($49,475,396)	($50,470,336)	($50,794,624)	($50,635,424)
Contributions to (from) Reserves	$22,291,865	$22,291,865	$22,291,865	$22,291,865	$22,291,865
Revenue Requirement	**$638,940,466**	**$634,799,235**	**$768,079,811**	**$834,300,895**	**$898,602,091**
Projected Revenues (5)	**$643,250,939**	**$624,266,552**	**$640,118,403**	**$675,144,501**	**$690,426,245**
Over (Under) Recovery of Costs $	**$4,310,474**	**($10,532,683)**	**($127,961,408)**	**($159,156,394)**	**($208,175,845)**
Over (Under) Recovery of Costs %	**0.7%**	**(1.7%)**	**(16.7%)**	**(19.1%)**	**(23.2%)**

(1) Please note that the total amounts shown in the table may not properly add as shown due to rounding.
(2) O&M Expenses exclude non-cash related items such as Depreciation.
(3) Debt service reflects the annual total principal and interest payments associated with current and expected new debt financing.
(4) Other Expenses (Income) include interest income, capital contributions, miscellaneous revenues, etc.
(5) Test Year Projected Revenues vary each year as kilowatt-hour (kWh) sales vary.

The average annual revenues are undercollecting the average Test Year Revenue Requirement of $754,944,499 by approximately 15.3%.

If IID does not institute rate increases, the estimated average annual $100 million shortfall will be taken from cash reserves, which would eventually eliminate the cash reserve balance. The unrestricted cash reserve balance as of January 2024 was $159 million or 111 days of cash on hand. Without any rate increases, the existing cash reserve balance would be eliminated within three years.

IID is required to maintain a 1.3 debt service coverage ratio and has a target debt service coverage ratio of 2.0. Without rate increases over the Study Period, IID's debt service coverage ratio would fall below these requirements by 2026.

Cost of Service Results

The COS analysis translates the Electric Utility's Test Year Revenue Requirement of $754,944,499 into a revenue requirement by customer class. The Test Year Revenue Requirement is functionalized or "unbundled" into the four functions of the system (i.e., Power Supply, Transmission, Distribution, and Customer Service); then classified as customer, demand, or energy related; and finally allocated to each of the customer classes as shown in Table ES-2. The result provides a COS revenue requirement for each customer class which is then compared to the projected revenues for the Study Period to determine the class rate changes.

Table ES-2
Comparison of Current Rate Revenues with Cost of Service Results

Customer Class	Cost of Service (1,2)	Test Year Projected Revenue (2,3)	Difference ($)	Difference (%)
Residential	$435,950,970	$347,088,859	$88,862,112	25.6%
General Service	$108,266,468	$98,752,835	$9,513,633	9.6%
Municipal	$11,431,575	$12,140,386	($708,811)	(5.8%)
Master Metered	$13,735,888	$11,295,726	$2,440,162	21.6%
Agricultural General Service	$12,988,827	$14,866,680	($1,877,854)	(12.6%)
Agricultural Pumping Service	$16,254,365	$14,861,751	$1,392,614	9.4%
Large General Service	$151,008,381	$149,306,767	$1,701,614	1.1%
General Wholesale Power	$3,361,724	$3,538,388	($176,664)	(5.0%)
Lighting	$1,946,302	$2,789,935	($843,633)	(30.2%)
Total	**$754,944,499**	**$654,641,327**	**$100,303,173**	15.3%

(1) Total COS represents the five-year average revenue requirement for the Electric Utility.
(2) Rate revenue represents the projected five-year average rate revenues for the Electric Utility under current rates.
(3) Assumes Energy Cost Adjustment (ECA) and Energy Cost Adjustment Regulatory Charge (ECA-R) at year-end 2023 levels.

As shown in Table ES-2, overall COS analysis forecasts a need for a 15.3% rate increase to meet the Electric Utility's revenue requirements. In addition, when evaluated on a customer basis, rate adjustments are required to ensure that each customer is appropriately charged based on their impact on the system.

Based on the COS results, IID decided to support the revenue requirement needs by phasing in rate increases over three years. IID set annual total retail revenue increases of 8.5% for FY 2025, 8.5% for FY 2026, and 7.5% for FY 2027. These phased-in annual total revenue and bill increases maintain the target cash reserve fund balances at adequate levels, fund the significant capital needs of the system, and meet the targeted debt service coverage ratios.

The cash reserve balances resulting from the proposed bill increases are adequate based on industry practices and provide IID flexibility and financial stability in supporting their future operating and capital needs. The reserves also provide IID with the flexibility to address changes in construction-, schedule-, and financing-related costs. In addition, these cash reserves are utilized for multiple purposes at the utility, such as working capital, rate stabilization (e.g., reducing rate volatility and impacts), and capital improvements.

Rate Design

Rate design includes the development of proposed rates to collect the additional revenue goals. The IID revenue increases were not applied equally to each customer class as the COS results indicate the need for higher rate increases for Residential customers and lower increases for Commercial and Agricultural customer classes. In order to gradually align those rates over time to avoid rate shock, NewGen recommends a limit on annual rate increases in Residential rates over the five-year period to better align rates with the COS results. NewGen recommends changing rates in three phases in FYs 2025, 2026, and 2027 with a limit to annual bill increases for any class of 1.5 times the average system increase. With this rate strategy, the system-level average rate increases in FYs 2025, 2026, and 2027 are 8.5%, 8.5%, and 7.5%, respectively; thus, the annual limits on any class's rate increase are 12.75%, 12.75%, and 11.25%, respectively.

Table ES-3 shows the anticipated revenues for each phase based on projected load and the rate strategy recommended by NewGen. The load growth was provided by IID and averages 0.3% per year. The total revenues reflect rate increases and load growth. If the load growth is removed, the increases in revenue are still in line with IID's rate strategy proposal. The results of the gradual rate change and the revenue generated in each phase are provided in Table ES-3.

Table ES-3
Electric Utility Rate Revenue Increase in Three Phases

Class	Consolidation Phase (2024) Revenue (1)	Phase 1 (2025) Revenue (2)	Phase 2 (2026) Revenue (2)	Phase 3 (2027) Revenue (2)	2028 Revenue
Residential	$341,139,933	$385,360,572	$435,192,998	$477,042,724	$478,683,060
General Service	$97,134,398	$105,078,869	$108,479,321	$113,701,079	$114,053,915
Municipal	$11,916,008	$12,042,534	$12,322,439	$13,005,814	$13,067,129
Master Metered	$11,090,233	$12,513,148	$13,894,933	$15,272,728	$15,328,107
Agricultural General Service	$14,581,831	$14,704,318	$15,109,059	$15,935,079	$16,010,450
Agricultural Pumping Service	$14,604,205	$15,630,701	$16,157,397	$16,985,969	$17,048,245
Large General Service	$146,545,708	$148,269,323	$153,543,894	$161,904,007	$162,624,519
General Wholesale Power	$3,487,447	$3,627,417	$3,733,507	$3,823,188	$3,845,726
Lighting (AL, SL1, SL2, SL3, Metered)	$2,751,555	$2,791,307	$2,869,194	$2,988,289	$2,988,331
Total	**$643,251,317**	**$700,018,190**	**$761,302,742**	**$820,658,877**	**$823,649,481**
Unit Rate ($/kWh)	**$0.1814**	**$0.1968**	**$0.2136**	**$0.2296**	**$0.2297**
Change in Unit Rates and Revenues (3)		**8.5%**	**8.5%**	**7.5%**	**0.1%**

(1) ECA and ECA-R rates as of year-end 2024 are embedded in the revenue numbers.
(2) Assumes ECA and ECA-R rates are reset to $0.00 per kWh and are integrated with base rates.
(3) Load Growth provided by IID. The percentage increase reflects an increase in retail sales kWh.

The rate increases outlined in Table ES-3 are largely due to the capital needs of the Electric Utility. The capital needs outlined in IID's Electric Utility Capital Improvement Plan (CIP) total approximately $1.3 billion for IID-funded capital during the Study Period. Ultimately, an increase in electric rates is necessary to ensure that IID has sufficient financial resources to cover the cost of providing service and to fund the needed capital improvements.

EXHIBIT 15

Record Request letters and emails to and from IID

LAW OFFICE OF SEBASTIAN RUCCI, LLC
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Phone: (562) 901-0199
Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com

June 27, 2026

Via Email:
Public Records Officer (CPRA@iid.com)
Wayne Strumpfer (wkstrumpfer@iid.com)
Mark Hartney (mhartney@allenmatkins.com)
Jamie Asbury (jlasbury@iid.com).
JB Hamby (jbhamby@iid.com)

Imperial Irrigation District
Records Management / Public Records Officer
333 E. Barioni Blvd.
Imperial, CA 92251

Re: California Public Records Act Request – 1943 Acquisition from Nevada-California Electric Company / California Electric Power Company and All Related Railroad Commission / CPUC Approvals and Boundary Agreement Renewals

Dear Public Records Officer:

Pursuant to the California Public Records Act (Government Code § 6250 et seq.), I hereby request copies of the following public records in the possession of the Imperial Irrigation District (IID):

1. Between 1942 and 1945, Imperial Irrigation District acquired the Nevada-California Electric Company (later known as the California Electric Power Company) electric utility assets, customers, franchises, and territorial rights. Please provide copies of the original purchase agreement between Nevada-California Electric Company (or related entities) and IID, including all exhibits, correspondence, or supporting documents from 1942 through 1945 concerning the transfer of electric utility assets and any territory rights, or franchise, regarding electric service in Imperial County and electric service in the Coachella Valley portion of Riverside County.

2. In 1943, the Railroad Commission of California regulated electric companies; in 1946 it was renamed the California Public Utilities Commission (CPUC). Accordingly, between 1943 through 1945, the sale of assets and any extraterritorial rights from the Nevada-California Electric Company (or related entities) to IID would have triggered strict oversight which required permission from the Railroad Commission of California (predecessor to CPUC) to sell its assets and transfer its customers and any territorial rights to IID under what is today California Public Utilities Code § 851 (which existed at the time of the purchase).

3. Please provide copies of all Railroad Commission of California (And its predecessor CPUC) opinions, orders, applications, filings, or approvals (including the two known opinions dated on or about September 22, 1943) granting permission for the asset sale of electric assets and the initial Boundary / Service Territory Agreement that authorized IID to provide electric service outside its jurisdictional boundary into the Coachella Valley portion of Riverside County. Please include any maps, legal descriptions, or exhibits showing the transferred assets and territory.

4. Please provide any records reflecting Nevada-California Electric Company (or related entities) or IID's application or notice under what is now California Public Utilities Code § 851 (or its predecessor statute) for the transfer of utility property and territorial rights.

5. Please provide copies of all subsequent renewals, amendments, extensions, or approvals of the Boundary Agreement or service territory rights, including any advice letters, applications, joint filings, CPUC orders, resolutions, or correspondence between IID, Nevada-California Electric Company (or its predecessors), and the CPUC/Railroad Commission.

6. Any maps, exhibits, or legal descriptions of IID's extraterritorial electric service territory in Riverside County (Coachella Valley) as approved or renewed at any time.

Please produce all responsive records in electronic, searchable PDF format where available. If any records are withheld, please provide a detailed exemption log. If production costs are expected to exceed $500, please contact me promptly so we may discuss narrowing the request or a phased production.

This request concerns the foundational regulatory authority for IID's provision of electric service to thousands of ratepayers in the Coachella Valley who have no voting representation on the IID Board or under Proposition 26 over any rate increases. Disclosure is therefore in the public interest and supports analysis accordingly, I request a full fee waiver.

Please acknowledge receipt and provide an estimated production date or reference number within the statutory timeframe. I can be reached at the contact information above with any questions.

Thank you for your prompt assistance.

Sincerely,

Sebastian Rucci

LAW OFFICE OF SEBASTIAN RUCCI, LLC
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Phone: (562) 901-0199
Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com

July 8, 2026

Via Email:
Public Records Officer (CPRA@iid.com)
Wayne Strumpfer (wkstrumpfer@iid.com)
Mark Hartney (mhartney@allenmatkins.com)
Jamie Asbury (jlasbury@iid.com).
JB Hamby (jbhamby@iid.com)

Imperial Irrigation District
Records Management / Public Records Officer
333 E. Barioni Blvd., Imperial, CA 92251

Re: CPRA Request - IID capital spending, bond financing, geographic allocation, 2033 service-area risk, and stranded assets

Dear Public Records Act Coordinator

Pursuant to the California Public Records Act, Government Code § 7920.000 *et seq*., I request inspection and electronic copies of the public records described below. Please construe this request to include records in the possession, custody, or control of the agency, including records held by consultants, counsel, contractors, joint powers authorities, financing authorities, or other third parties acting for the agency.

This request seeks the **records supporting IID's multi-year electric capital plan**, the location and beneficiary of capital improvements funded by electric rates or debt, and the treatment of long-lived debt if Riverside County / Coachella Valley service arrangements expire, are restructured, or are transferred.

Date range: January 1, 2018 through the present; for bonds, leases, service-area agreements, or capital assets still outstanding or relied upon, include all records regardless of creation date.

Likely custodians/locations to search: Finance, Power Department, Capital Projects, Engineering, Transmission, Distribution, General Counsel, General Manager, Board Secretary, bond counsel, disclosure counsel, underwriters, financial advisors, and rating-agency contacts.

Requested records:

1. All capital improvement plans, capital budgets, strategic transmission plans, distribution plans, generation plans, substation plans, asset-management plans, and five-year or long-term electric infrastructure plans used to support the 2025 rate update or any bond financing.

2. A project-level list of electric capital projects included in any publicly described $1.3 billion, $1.47 billion, or similar capital program, including project name, description, location, county/city, asset type, cost estimate, actual cost, funding source, in-service date, useful life, depreciation period, and expected beneficiary.

3. All maps, GIS files, shape files, one-line diagrams, network maps, load-growth maps, service-territory maps, capacity maps, and project-location maps for capital projects in Imperial County, Riverside County, and San Diego County.

4. All records showing how capital costs are allocated to customer classes and geographic areas, including whether project costs are allocated systemwide, by substation, by circuit, by transmission zone, by city, by county, by customer class, by load ratio, by coincident peak, or by another allocator.

5. All bond resolutions, official statements, preliminary official statements, continuing-disclosure filings, indentures, trust agreements, installment-sale agreements, lease-financing documents, bond-purchase agreements, rating-agency presentations, investor presentations, and debt-service schedules for debt secured by electric revenues.

6. All records identifying the maturity dates, debt service, pledged revenues, coverage requirements, reserve requirements, and legal covenants for bonds or debt expected to be repaid after 2033.

7. All records analyzing the 2033 expiration or possible expiration of any IID/CVWD, Coachella Valley, SCE, service-boundary, power-rights, lease, or other agreement, and the effect on IID customers, assets, debt, revenues, rates, and stranded costs.

8. All records analyzing stranded assets, stranded costs, asset transfers, customer departure, municipalization, CVPA transition, Coachella municipal utility service, wheeling, distribution transfer, debt defeasance, exit charges, or responsibility for debt if Riverside County / Coachella Valley service changes.

9. All records showing whether Imperial County customers could be left with stranded electric assets or debt if Riverside County / Coachella Valley customers leave IID service, and whether Riverside customers are paying for assets that will primarily benefit Imperial customers after 2033.

10. All correspondence with bond counsel, disclosure counsel, rating agencies, underwriters, financial advisors, CVPA, CVAG, Riverside County, CVWD, SCE, CPUC, LAFCO, or city officials regarding 2033, service-area risk, governance risk, or Riverside customer departure risk.

11. All records concerning the Cook Street Substation, Avenue 58 Substation, Thousand Palms projects, La Quinta projects, Coachella substation projects, Indio electric improvements, and any project funded or proposed to be funded by city, county, developer, CVPA, IEFA, CEFA, or IID surcharges.

Prioritization / narrowing instruction: Please prioritize project-level capital schedules, bond official statements, debt schedules, rating presentations, 2033 legal/risk analyses, and geographic cost-allocation workpapers.

Please produce records electronically and, where possible, in native format rather than print-to-PDF form. For spreadsheets, rate models, capital plans, customer counts, GIS files, bond schedules, and databases, please produce native Excel, CSV, GIS, database export, or other machine-readable files with formulas, tabs, metadata, and field names intact. For emails, please include attachments and produce complete email families. I request rolling production, starting with agreements, ordinances, resolutions, board materials, staff reports, final studies, and final financial documents before emails if that will speed production.

If you contend that any portion of any responsive record is exempt, please produce all reasonably segregable nonexempt portions, identify the exemption claimed, state the factual and legal basis for withholding, and identify the name and title of each person responsible for any withholding determination. If responsive records are available online, please provide the exact URL and file name; if a web posting is incomplete, inaccessible, or not reproducible, please provide a copy.

If the request is unclear or too broad in any respect, please provide the assistance required by Government Code § 7922.600 by identifying the records and information systems likely to contain responsive records, suggesting reasonable narrowing, and identifying the agency component or custodian most likely to hold the records. Please notify me before incurring duplication costs exceeding $100.

Please provide the determination required by Government Code § 7922.535 within the statutory time period and state the estimated date and time when records will be made available. Thank you for your prompt assistance.

Sincerely,

Sebastian Rucci

Sebastian Rucci

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Two Public Records Requests: (1) IID's multi-year electric capital plan and (2) governance facts relevant to nonvoting Riverside County

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Sebastian Rucci <sebastian@ruccilaw.com> Wed, Jul 8, 2026 at 11:42 AM
To: CPRA@iid.com, "Strumpfer, Wayne K" <wkstrumpfer@iid.com>, "Hartney, Mark" <mhartney@allenmatkins.com>, Jamie Asbury <jlasbury@iid.com>, jbhamby@iid.com

Public Records Officer:

Attached are two public records requests (1) records supporting IID's multi-year electric capital plan and (2) records supporting the customer-base and governance facts relevant to nonvoting Riverside County / Coachella Valley IID electric customers.

Thank you for your prompt assistance.

Sincerely,

Sebastian Rucci
Law Office of Sebastian Rucci, P.C.
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Office: (562) 901-0199
Cell: (760) 989-5100
Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com

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2 attachments

3. CPRA to IID Riverside Voting Records (7-08-26).pdf
229K

2. CPRA to IID - Capital Improvement Program (7-08-26).pdf
231K

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Proposition 26 Challenge to 2025 Electric Rate Increase

Sebastian Rucci <sebastian@ruccilaw.com> Mon, Jun 29, 2026 at 2:53 PM
To: "Hartney, Mark" <mhartney@allenmatkins.com>
Cc: "Wayne K. Strumpfer Esq. (wkstrumpfer@iid.com)" <wkstrumpfer@iid.com>, "Jamie Asbury Esq. (jlasbury@iid.com)" <jlasbury@iid.com>, jbhamby@iid.com

Good Afternoon Mark,

We believe that the 1934 Compromise Agreement between IID and CVWD is not the authority for IID's electric jurisdiction in Riverside County, because CVWD lacked authority over electric service there. I am exploring IID's claim that the jurisdiction arises from the 1943 purchase by IID of the California Electric Power Company assets, franchises, rights, and business.

I located California Railroad Commission (predecessor to CPUC) Decisions Nos. 36622 and 36623, for the sale of the "properties, franchises, rights and business." However, the decisions themselves do not include the underlying purchase agreement, schedules, franchise documents, the District Securities Commission approvals, or any related approval documents.

Decision No. 36622 confirms that "the **District is not under this Commission's control**" and that "the **Commission has no jurisdiction over the District**." Decision No. 36623 similarly states "**we have no jurisdiction over the operations of the District**." The decisions state that IID is under the regulation of the District Securities Commission, which was dissolved in 1969 and its powers transferred to the State Treasurer.

It appears that the sale was for 25 years and could be extended by the parties. Hence, the 1943 sale had to be renewed in 1968, 1993, and 2018. I reviewed IID's 2018 ordinances and did not locate any resolution extending the relevant rights. I am writing not to make assumptions but to secure documents to confirm jurisdiction.

Accordingly, please provide all records regarding the 1943 sale, including but not limited to:

1. The purchase agreement and all related schedules, exhibits, attachments, and closing documents;
2. All franchise rights, contract rights, service-area rights, or other rights transferred to IID;
3. All California Railroad Commission, District Securities Commission, CPUC, IID, county, city, or other agency approvals relating to the sale;
4. All documents identifying the duration, expiration, renewal, amendment, or extension of any rights acquired by IID in the 1943 transaction;
5. All extensions, renewals, amendments, assignments, approvals, resolutions, ordinances, board actions, staff reports, correspondence, or legal opinions concerning the continued effectiveness of the 1943 sale rights through the present;
6. Any documents concerning IID's authority to continue electric service in Riverside County based on the 1943 transaction or any later extension, renewal, or approval.

Please let me know if this email is sufficient for production. To the extent necessary, please treat this email as a request under the California Public Records Act for all records relevant to the 1943 purchase, related agency approvals, transferred rights, and all subsequent extensions, renewals, amendments, or approvals through the present.

I am still working through aspects of your response, but the documents regarding the 1943 transaction and any subsequent renewal or extension would be very helpful.

Thank you in advance for your cooperation.

Best regards,

Sebastian
Law Office of Sebastian Rucci, P.C.
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Office: (562) 901-0199
Cell: (760) 989-5100

Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com

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4 attachments

Decision No. 36623 (9-22-43).docx
22K

Decision No. 36622 (9-22-43).wpd
7K

Decision No. 36622 (9-22-43).docx
23K

Decision No. 36622 (9-22-43).pdf
609K

RE: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

Vega, Marc A <mavega@iid.com> Thu, Jul 9, 2026 at 10:03 AM
To: Sebastian Rucci <sebastian@ruccilaw.com>

Mr. Rucci,

The IID received your Public Records Act request dated June 27, 2026. Due to the nature of your request, IID needs time to determine what documents we may have and how we can assist you. We will provide you an update to our review of your request no later than July 18th.

Thank you,

IID A century of service.

Marc Anthony Vega
Legal Assistant
IMPERIAL IRRIGATION DISTRICT
333 E Barioni Blvd, Imperial CA 92251
(760) 339-9557 | email: mavega@IID.com

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

RE: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

Vega, Marc A <mavega@iid.com> Thu, Jul 16, 2026 at 10:38 AM
To: Sebastian Rucci <sebastian@ruccilaw.com>

Mr. Rucci,

IID is in receipt of three Public Records Act requests you have made (one dated June 27, 2026, and two dated July 8, 2026). For efficiency and organizing sake, we will treat these three requests together. It appears that the IID has responsive records to at least some of your requests. Due to the nature and age of some of the documents you've requested, IID will need additional time to gather and review the records. We expect to have at least some responsive records available to you by August 13, 2026. At that time, we will also provide you an update on our record search and review for any outstanding requests.

Thank you,

IID A century of service.

Marc Anthony Vega
Legal Assistant
IMPERIAL IRRIGATION DISTRICT
333 E Barioni Blvd, Imperial CA 92251
(760) 339-9557 | email: mavega@IID.com

From: Sebastian Rucci <sebastian@ruccilaw.com>
Sent: Thursday, July 9, 2026 10:15 AM
To: Vega, Marc A <mavega@IID.com>
Subject: Re: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

[Quoted text hidden]

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

RE: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

Sebastian Rucci <sebastian@ruccilaw.com> Mon, Jul 20, 2026 at 9:52 AM
To: "Vega, Marc A" <mavega@iid.com>
Cc: jbhamby@iid.com, "Cardenas, Alex" <aacardenas@iid.com>, "Dockstader, Gina Nicole" <gndockstader@iid.com>, "Pacheco, Lewis A" <lapacheco@iid.com>, "Strumpfer, Wayne K" <wkstrumpfer@iid.com>, "Hartney, Mark" <mhartney@allenmatkins.com>, Jamie Asbury <jlasbury@iid.com>

Good Morning Marc,

We have been seeking very important documents for over three weeks. While we have three CPRA requests pending, the response for records by August 13, 2026 is not acceptable. Please pause the second and third requests for now and provide one document. Provide any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists.

Attached is a letter sent to the Board and counsel earlier today that explains the importance of this document, or confirmation that no such document exists. This document was requested in our first CPRA request on June 27, 2026 which was hand-delivered to IID's headquarters. Withholding the documents is not how to resolve these very important issues, which the IID Board has a duty to investigate. Accordingly, please produce: **Any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists.**

We will resume our CPRA requests once this is resolved. Should you have questions please contact me on my cell at 760-989-5100. Thank you for your prompt attention to this urgent issue regarding the validity of rate hikes for a quarter of a million persons in Riverside County.

Sincerely,

Sebastian Rucci
Law Office of Sebastian Rucci, P.C.
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Office: (562) 901-0199
Cell: (760) 989-5100
Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com

On Thu, Jul 16, 2026 at 10:38 AM Vega, Marc A <mavega@iid.com> wrote:

> Mr. Rucci,
>
> IID is in receipt of three Public Records Act requests you have made (one dated June 27, 2026, and two dated July 8, 2026). For efficiency and organizing sake, we will treat these three requests together. It appears that the IID has responsive records to at least some of your requests. Due to the nature and age of some of the documents you've requested, IID will need additional time to gather and review the records. We expect to have at least some responsive records available to you by August 13, 2026. At that time, we will also provide you an update on our record search and review for any outstanding requests.
>
> Thank you,

Marc Anthony Vega
Legal Assistant
IMPERIAL IRRIGATION DISTRICT
333 E Barioni Blvd, Imperial CA 92251
(760) 339-9557 | email: mavega@IID.com

From: Sebastian Rucci <sebastian@ruccilaw.com>
Sent: Thursday, July 9, 2026 10:15 AM
To: Vega, Marc A <mavega@IID.com>
Subject: Re: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

Thank you Mr. Vega,

We look forward to receiving the documents requested.

Sincerely,

Sebastian

On Thu, Jul 9, 2026 at 10:03 AM Vega, Marc A <mavega@iid.com> wrote:

> Mr. Rucci,
>
> The IID received your Public Records Act request dated June 27, 2026. Due to the nature of your request, IID needs time to determine what documents we may have and how we can assist you. We will provide you an update to our review of your request no later than July 18th.
>
> Thank you,
>
> **Marc Anthony Vega**
> **Legal Assistant**
> **IMPERIAL IRRIGATION DISTRICT**
> 333 E Barioni Blvd, Imperial CA 92251
> (760) 339-9557 | email: mavega@IID.com

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

RE: Public Records Request #1 - 1943 Acquisition from Nevada-California Electric Company

Sebastian Rucci <sebastian@ruccilaw.com> Mon, Jul 20, 2026 at 9:52 AM
To: "Vega, Marc A" <mavega@iid.com>
Cc: jbhamby@iid.com, "Cardenas, Alex" <aacardenas@iid.com>, "Dockstader, Gina Nicole" <gndockstader@iid.com>, "Pacheco, Lewis A" <lapacheco@iid.com>, "Strumpfer, Wayne K" <wkstrumpfer@iid.com>, "Hartney, Mark" <mhartney@allenmatkins.com>, Jamie Asbury <jlasbury@iid.com>

Good Morning Marc,

We have been seeking very important documents for over three weeks. While we have three CPRA requests pending, the response for records by August 13, 2026 is not acceptable. Please pause the second and third requests for now and provide one document. Provide any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists.

Attached is a letter sent to the Board and counsel earlier today that explains the importance of this document, or confirmation that no such document exists. This document was requested in our first CPRA request on June 27, 2026 which was hand-delivered to IID's headquarters. Withholding the documents is not how to resolve these very important issues, which the IID Board has a duty to investigate. Accordingly, please produce: **Any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists.**

We will resume our CPRA requests once this is resolved. Should you have questions please contact me on my cell at 760-989-5100. Thank you for your prompt attention to this urgent issue regarding the validity of rate hikes for a quarter of a million persons in Riverside County.

Sincerely,

Sebastian Rucci
Law Office of Sebastian Rucci, P.C.
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Office: (562) 901-0199
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Email: Sebastian@RucciLaw.com
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The Law Office of
SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

1 message

Sebastian Rucci <sebastian@ruccilaw.com> Tue, Jul 28, 2026 at 3:41 PM
To: "Vega, Marc A" <mavega@iid.com>
Cc: "Cardenas, Alex" <aacardenas@iid.com>, jbhamby@iid.com, "Pacheco, Lewis A" <lapacheco@iid.com>, "Strumpfer, Wayne K" <wkstrumpfer@iid.com>, Jamie Asbury <jlasbury@iid.com>, "Hartney, Mark" <mhartney@allenmatkins.com>, "Dockstader, Gina Nicole" <gndockstader@iid.com>

Good Afternoon Marc,

For over a month, we have requested records establishing IID’s continuing authority to provide electric service in Riverside County after October 24, 2018. As noted in my last email eight days ago, w**e only request one discrete document**, or written confirmation that no such document exists.

On June 27, 2026, our initial California Public Records Act request was hand-delivered to IID’s headquarters. That request sought, among other records, “[a]ll extensions . . . of the 1943 sale rights through the present.”

On June 29, 2026, at 2:53 p.m., we sent an email to IID’s outside counsel, Mark Hartney, again requesting “all extensions . . . of the 1943 sale rights through the present.” The email explained: "The 1943 sale had to be renewed in 1968, 1993, and 2018. I reviewed IID’s 2018 ordinances and did not locate any resolution extending the relevant rights. I am writing not to make assumptions but to secure documents to confirm jurisdiction.”

That email expressly requested, under the California Public Records Act, “all records relevant to the 1943 purchase, related agency approvals, transferred rights, and all subsequent extensions, renewals, amendments, or approvals through the present.”

On July 9, 2026, at 10:03 a.m., you advised that “IID needs time to determine what documents we may have and how we can assist you.”

On July 16, 2026, at 10:38 a.m., you stated that IID was combining three requests and anticipated having responsive records available by August 13, 2026.

To simplify and expedite the matter, on July 20, 2026, at 9:52 a.m., we asked IID to pause the second and third requests and respond to a single, narrow request: “Provide any agreement, application, decision, or order renewing or extending the Edison-IID service area regime beyond October 24, 2018, or confirm in writing that none exists.”

Eight days have now passed since that narrowed request, and over a month has passed since our initial request.

Please provide the renewed or extended Edison–IID service-area arrangement in Riverside County after October 24, 2018. From the 1993 agreement and CPUC approval we determined that the prior 25-year extension ended on October 24, 2018. If no such record exists, please confirm that fact in writing.

Based on the materials located to date, the last CPUC-approved extension appears to have expired on October 24, 2018. If IID contends that its service-area authority continued beyond that date, the operative document establishing that authority should be readily identifiable. We are not asking IID to complete a broad historical review at this time; **we are asking for the single document upon which IID relies**--or confirmation that no such document exists.

This issue concerns IID’s claimed authority to provide electric service to approximately a quarter million people in Riverside County. It should not take one month to determine whether the operative extension exists. Please advise promptly when we can expect the requested document or written confirmation that no such document exists.

Should you have any questions, please contact me directly on my cell phone at (760) 989-5100. Thank you for your prompt attention to this urgent issue concerning IID’s jurisdiction in Riverside County.

Sincerely,

Sebastian Rucci
Law Office of Sebastian Rucci, P.C.

The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

Vega, Marc A <mavega@iid.com> Fri, Jul 31, 2026 at 4:51 PM
To: Sebastian Rucci <sebastian@ruccilaw.com>

Good afternoon Mr. Rucci,

As referenced in the correspondence sent by Mr. Hartney on July 29th, IID is not obligated to certify negatives or create records to satisfy a records request.

This concludes your request.

Thank you,

IID A century of service.

Marc Anthony Vega
Legal Assistant
IMPERIAL IRRIGATION DISTRICT
333 E Barioni Blvd, Imperial CA 92251
(760) 339-9557 | email: mavega@IID.com

From: Sebastian Rucci <sebastian@ruccilaw.com>
Sent: Tuesday, July 28, 2026 3:41 PM
To: Vega, Marc A <mavega@IID.com>
Cc: Cardenas, Alex <aacardenas@IID.com>; Hamby, JB <jbhamby@IID.com>; Pacheco, Lewis A <lapacheco@IID.com>; Strumpfer, Wayne K <wkstrumpfer@IID.com>; Asbury, Jamie <jlasbury@IID.com>; Hartney, Mark <mhartney@allenmatkins.com>; Dockstader, Gina Nicole <gndockstader@IID.com>
Subject: Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

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The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

Sebastian Rucci <sebastian@ruccilaw.com> Mon, Aug 3, 2026 at 2:27 PM
To: "Vega, Marc A" <mavega@iid.com>
Cc: "Hartney, Mark" <mhartney@allenmatkins.com>, jbhamby@iid.com, Jamie Asbury <jlasbury@iid.com>, "Strumpfer, Wayne K" <wkstrumpfer@iid.com>

Good afternoon, Mr. Vega:

Attached are Mr. Hartney's July 29, 2026 letter and our response, which we emailed to him and the Board yesterday.

We are not asking IID to certify the nonexistence of any record. We submitted three CPRA requests seeking specific documents, including the document supporting the purported 2018 extension of IID's Riverside County service authority. Mr. Hartney's letter asserts that the 1992 agreement between Edison and IID supports that extension.

Mr. Hartney also states that we possess the 1992 agreement merely because we cited its title in connection with the CPUC's 1994 order. That is incorrect. We obtained the agreement's title from the 1994 order; we do not possess the agreement itself.

IID cannot rely on a document to support its claimed extraterritorial authority while refusing to produce that same document. IID is a publicly owned utility, and records establishing its claimed authority to provide electric service in Riverside County--and the legal basis for the rates imposed there--are plainly proper subjects of a CPRA request.

Please immediately produce the 1992 agreement referenced in Mr. Hartney's July 29 letter. You may produce the remaining responsive records on a rolling basis.

If IID stands on your July 31, 2026 email closing our three CPRA requests without producing any responsive records, we will include IID's position in our forthcoming legal filings. Unless we receive the 1992 agreement by close of business tomorrow, we will seek a writ compelling IID to disclose the requested records.

Sincerely,

Sebastian Rucci (State Bar #178114)
Law Offices of Sebastian Rucci, P.C.
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Tel: (562) 901-0199
Cell: (760) 989-5100
Fax: (562) 249-6910
Sebastian@RucciLaw.com
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The Law Office of SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

Vega, Marc A <mavega@iid.com> Thu, Aug 20, 2026 at 10:49 AM
To: Sebastian Rucci <sebastian@ruccilaw.com>

Dear Mr. Rucci:

The IID is in receipt of your email from August 11th where you discuss two "outstanding" PRA requests. To summarize the history of your recent three PRA requests, you sent one on June 27, 2026 (PRA #1) and two PRA requests on July 8, 2026 (PRA #2 and PRA #3). On July 16, 2026, IID sent you an email stating that we were combining the three PRAs and that we hoped to have responsive records to you by August 13, 2026. On July 20, 2026, you responded via email and demanded we respond to PRA #1 while **expressly "pausing" your requests in PRA #2 and PRA #3.** On July 29, 2026, you received a letter from counsel representing IID regarding your request in PRA #1. On July 31, 2026, I sent you an email referring to IID counsel's response from two days earlier and stating that we considered PRA #1 to be closed.

At no time did you notify us to "un-pause" or activate PRA #2 or PRA #3. Your August 11, 2026 email below seems to forget that you paused these PRA requests. We will treat your August 11, 2026, email as a request to re-activate your PRA #2 and PRA #3 requests. We do believe we may have responsive records to your requests. IID believes we will be able to provide you responsive records by September 24, 2026.

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The Law Office of
SEBASTIAN RUCCI, P.C.

Sebastian Rucci <sebastian@ruccilaw.com>

Urgent Request for 2018 Extension of Edison–IID Service-Area Agreement

Sebastian Rucci <sebastian@ruccilaw.com> Thu, Aug 20, 2026 at 1:27 PM
To: "Vega, Marc A" <mavega@iid.com>

Dear Mr. Vega,

To clarify regarding PRA Request #1, Mr. Hartney previously produced only a single document concerning the 1992 Restated Agreement. After nearly two months, the Imperial Irrigation District (IID) has yet to produce the requested California Public Utilities Commission (CPUC) orders—specifically the 1994 order, which we have only been able to locate via LexisNexis. Because these documents directly address authority over retail electric services in Riverside County, we expect they should be readily accessible and promptly disclosed. I have re-attached PRA Request #1 for your review to ensure all remaining responsive records are produced.

Additionally, please consider this notice to lift the pause and immediately resume processing PRA Requests #2 and #3:

PRA Request #2: Seeks the records and data IID relied upon to support last year's rate increase. As documentation justifying a utility rate change should be part of the public record prior to enactment, the extended delay in producing these records is concerning.

PRA Request #3: Seeks records establishing the current number of active meters serviced by IID.

We will be submitting additional CPRA requests shortly and appreciate your prompt attention and diligence in completing these productions.

Sincerely,

Sebastian Rucci
Law Office of Sebastian Rucci, LLC
16400 Pacific Coast Highway, Suite 212
Huntington Beach, CA 92649
Phone: (562) 901-0199
Fax: (562) 249-6910
Email: Sebastian@RucciLaw.com
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1. CPRA to IID 1943 Purchase Agreement (6-27-26).pdf
124K

EXHIBIT 16

IID Director Alex Cardenas public statements (5-07-26)

IID DIVISION 1 CANDIDATE FORUM
May 7, 2026
https://www.facebook.com/reel/2145700656223809

Hosted by the Colab Brawley Chamber of Commerce and the Imperial Valley Regional Chamber of Commerce
Moderator (Sher Cowie):

QUESTION 5: 2034 Coachella Valley Power Agreement
Moderator (Sher Cowie): Next question. In 2034, the agreement to provide energy to Riverside County expires. Knowing that over 60% of the net revenue for IID is provided by this service, what is your position should that agreement be allowed to expire?

ALEX CARDENAS:
We have done an incredible job in Coachella Valley. Seventy percent of the 160,000 meters are located in Coachella Valley. They're knocking on our door right now for an additional 500 megawatts.

The Acrisure Arena, the equestrian capital of the country that is going to be in Thermal, California, and other developments are moving there. We have all kinds of development there because they're true developers. They know how development works. And guess what?

They're building in IID territory because we know how to work with them. We understand it's equitable. And now cities like Coachella, Indio, and La Quinta have entered into joint powers agreements with IID that include cost-sharing programs so that we can build substations and they can build homes. One megawatt, folks, is 1,000 homes.

The homes they're building in Coachella Valley right now, because of our joint powers authority and shared-cost agreements, are part of an equitable relationship.
They're now begging us to stay there. No more legislative attacks to put board members on our board. No more ex officio-type relationships. No more assembly members coming in and going after our sovereignty because we have stood tall.

We have stood tall in protecting our interests and having the infrastructure there. That's why there's a tremendous amount of development. We are already in negotiations. They have over communicated: "Please don't go away, IID."
Thank you.

EXHIBIT 17

IID Chairwoman Karin Eugenio public statements (5-14-26)

Imperial Irrigation District Division 5
Candidate Forum (5-14-2026)
https://youtu.be/Uzl16l0t1lA

Moderator: My name is Ramiro Diaz. I'm the CEO of the Brawley Chamber of Commerce, and I'll be the moderator for tonight.

Moderator. Question: In 2034, the agreement to provide energy to Riverside County expires. Knowing that over 60 percent of the revenue for IID is provided by that service, what is your position on allowing that agreement to expire?

KARIN EUGENIO
This is a widely misunderstood concept. In 2034, our agreement to serve power in Coachella Valley will not cease to exist. In 2034, our agreement with the Coachella Valley Water District will expire. It was a 99-year contract established in 1934, and that agreement was to serve power within the Coachella Valley Water District service territory. Coachella Valley Water District, CVWD, did not want to implement power service in the Coachella Valley, so they asked IID, which was already generating power, to serve energy in the Coachella Valley.

Fast forward almost 100 years later, and the Coachella Valley has accelerated its growth far more than Imperial Valley. What they need to keep up with that growth far exceeds what we need here in Imperial Valley. That has been especially challenging because our rates are connected. The rates cannot go higher here to supplement Coachella Valley, and the rates have not been high enough for Coachella Valley to subsidize its own growth.

J.B. Hamby and I have spent years in Coachella Valley establishing what are called Joint Powers Agreements, or JPAs. The City of Indio was the first to sign one. The City of La Quinta entered into a cost-sharing agreement. The City of Coachella signed one. Riverside County, Indio, and La Quinta helped establish what is called the Coachella Valley Power Authority.

This has allowed us to keep the base rate the same for both counties. However, in Coachella Valley we can now implement what is called a surcharge. It's very small—about $3 per household. It allows them to buy their own substations and transformers in order to subsidize the growth they need without taxing Imperial Valley. We have gone through these agreements with them over the last several years. We are now in a very harmonious place with Coachella Valley after years of these conversations. So no, we do not have plans to withdraw.