



STAFF REPORT
January 28, 2026

TO: Honorable Mayor and City Council Members

FROM: Lincoln Bogard, Finance Director
Bill Pattison, City Manager

SUBJECT: Resolution No. 2026-04 Approving a Contract for Consulting Services with Bell Burnett & Associates (BB&A) for the Development and Implementation of the Funding Program for Critical Electric Infrastructure in the City

STAFF RECOMMENDATION:

Staff recommends that the City Council approve Resolution 2026-04, approving a contract for consulting services with Bell Burnett & Associates (BB&A) for the development and implementation of the funding program for critical electric infrastructure in the City.

BACKGROUND:

Staff has communicated its discussions with Imperial Irrigation District (IID) to Council. IID electrical capacity in our city is limited. Construction of additional substations in the city is needed for energy reliability, resiliency and continued economic growth. Indio and IID recently created the Indio Electric Financing Authority which successfully financed the construction of new substations within in Indio through the levy of surcharge on each kilowatt hour of energy sold by IID in Indio. IID talks have progressed to the point that our city needs to begin the formation and rate setting process for the Coachella Electric Financing Authority. Staff is hoping to use the same consultants that Indio used since this is a new type of funding mechanism and we feel that using the same consultants will result in lower costs due to economies of scale from the prior experience with Indio and from their experience collaborating with IID on behalf of Indio.

The goal of the Coachella Electric Financing Authority would be to issue bonds secured by a surcharge collected by IID on behalf of the City. The bonds would finance the expansion of 3 existing substations and the construction of a new substation within the City.

DISCUSSION/ANALYSIS:

Staff would like to have Council consider BB&A to provide strategic consulting services in conjunction with the formation and funding of the Coachella Electric Financing Authority. BB&A is proposing to provide the following services to the City:

- Develop funding program that would accommodate the financing of electric improvements in the City;
- Provide financial analysis, including cost and capacity, under the program;
- Meet and advance discussions and approval of the program with Imperial Irrigation District (IID);
- Prepare summary materials and make presentations as needed to City Council or other external stakeholders as requested;
- Review and comment upon creation of Coachella Electric Financing Authority or other comparable Joint Powers Authority associated with the funding program;
- Evaluation of terms and conditions of the program to maximize future flexibility;
- Review and development of key business and credit terms for the program;
- Support transaction execution, including the negotiation of any program documentation;
- Develop timeline for execution, and
- Other services as necessary to support the execution of the program

The terms allow the City to cancel with or without cause at any time with a 10-day written notification. If the City does not move forward with the formation of the Coachella Electric Financing Authority, this contract can be terminated to avoid any unnecessary costs.

ALTERNATIVES:

1. Approve the action.
2. Do not approve the action.

FISCAL IMPACT:

Total Not-To-Exceed fixed contract amount of \$150,000. In the event that the transaction does not close, the fee would be reduced to \$35,000 plus any direct expenses for travel and lodging incurred at the City's request. Costs can be recuperated from bond issuance for consultant costs of formation.

Attachments:
 Resolution 2026-04
 Proposal to Provide Strategic Consulting Services