

RESOLUTION NO. 2019-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COACHELLA, CALIFORNIA, AUTHORIZING THE CREATION OF A LIMITED MUNICIPALLY OWNED UTILITY FOR THE PURPOSE OF PROVIDING ELECTRICAL UTILITY SERVICES, AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City of Coachella (“City”) is a municipal corporation organized, formed and incorporated under the laws of the State of California on December 13, 1946; and

WHEREAS, the City has a “Council-Manager” general law form of government where the City Manager is appointed by the City Council and is the Chief Executive Officer of the Municipal Corporation, and the Council serves as the board of directors of the municipal corporation and meets in a public forum; and

WHEREAS, the City Council consists of the Mayor, Mayor Pro Tem, and three members, all elected by City residents at large; and

WHEREAS, the City Council establishes city policies, approves ordinances and resolutions, makes land use decisions, approves agreements and contracts, and hears appeals on decisions made by City staff or advisory committees; and

WHEREAS, the California Constitution, art. XI, section 9(a), California Public Utilities Code § 10004, and California Government Code § 39732(a) empower a municipal corporation to establish, purchase, lease, own and operate public works and utilities to furnish its jurisdiction with electrical power; and

WHEREAS, the City seeks to ensure that its citizens and businesses are provided with utility services that meet the current and future needs of the community, that utilize advanced technology, that provide services at rates that are fair and reasonable, that provide high quality customer service, that provide alternatives to existing service providers, and that protect the health, safety, and welfare of its citizens; and

WHEREAS, the City seeks to form a municipally-owned utility system consistent with California and Federal law, through which it may elect to provide electric and gas utility services to customers located within the City; and

WHEREAS, the City has consulted with various experts to identify the prospective benefits of establishing a municipally owned utility; and

WHEREAS, the City has identified numerous benefits that may arise from providing municipally owned utility services, including, but not limited to, additional revenues for community improvements, the ability to offer competitive rates to citizens and businesses for utility services, and the need to serve new development and under-utilized areas of the City; and

WHEREAS, the City Council has determined that the formation of a municipally-owned utility could significantly enhance the quality of life and provide significant benefits to the citizens and businesses of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COACHELLA AS FOLLOWS:

1. The above recitals are true and correct and are incorporated herein by reference as an operative portion of this Resolution.

2. The establishment of a municipally-owned electric utility (the “Municipal Utility”) is not a “project” as that term is defined in the California Environmental Quality Act (“CEQA”). An activity is a “project” subject to CEQA only if it has the potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect change in the environment. (State CEQA Guidelines, § 15378). The mere creation of the Municipal Utility is an organizational or administrative activity of government that would not result in a reasonably foreseeable direct or indirect physical change in the environment, as the establishment of the Municipal Utility only involves such actions as identifying potential service areas and evaluating potential utility rates, which are administrative in nature and do not commit to any specific projects. (State CEQA Guidelines, § 15378(b).)

3. The City of Coachella does hereby establish a Municipal Utility to provide electric service in the City of Coachella.

4. The City Manager, or designee, is hereby authorized to take all necessary steps to create and establish the Municipal Utility, with the power evaluate the areas, manner, and rates for the potential provision of various electric utility services.

5. The Municipal Utility may provide electric and gas service within the boundaries of the City of Coachella to new development and other areas within the City, as determined by the City Manager following appropriate evaluation and study and with approval by the City Council.

6. The City Council will determine and may amend, from time to time, the nature of utility service provided by the Municipal Utility.

7. The City Manager, or designee, is hereby authorized to take all necessary actions to provide for the study of the operation and maintenance of the Municipal Utility, including, but not limited, to:

- a. Identifying potential new development and areas within the City that should be served by the Municipal Utility;
- b. Negotiating agreements with consultants, special counsel, underwriter(s), and financial advisors in connection with regulatory, legal, or financial matters for approval by the City Council;
- c. Identifying power procurement and electric service distribution needs;
- d. Recommending utility rates and terms of service; and

e. Determining what additional staffing is required, if any.

8. The Mayor (or in the Mayor's absence, the Mayor Pro-Tem), the City Manager, or their designees are hereby authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out the transactions contemplated by this Resolution.

9. This Resolution shall be effective immediately after its adoption by the City Council, and shall be certified by the City Clerk.

10. The record of proceedings upon which this Resolution is based may be accessed at City Hall, and the custodian of such records shall be the City Clerk.

PASSED, APPROVED and ADOPTED this 31st day of July, 2019.

Steven A. Hernandez
Mayor

ATTEST:

Angela M. Zepeda
City Clerk

APPROVED AS TO FORM:

Carlos Campos
City Attorney

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF COACHELLA)

I HEREBY CERTIFY that the foregoing Resolution No. 2019-62 was duly adopted by the City Council of the City of Coachella at a regular meeting thereof, held on the 13th day of November 2019 by the following vote of Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Andrea J. Carranza, MMC
Deputy City Clerk

EXHIBIT A

Service Area

