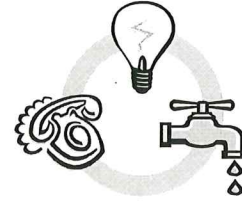


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY



REGULAR MEETING AGENDA
JULY 8, 2021 8:30 A.M.

President Cory C. Moss
Commissioner Michael Greubel
Commissioner Cathy Marcucci
Commissioner Mark D. Radecki
Commissioner Newell W. Ruggles



Location: City Council Chamber, 15651 Mayor Dave Way, City of Industry, California

Addressing the Commission:

NOTICE OF TELEPHONIC MEETING:

- **Pursuant to Section 42 of Executive Order N-08-21, issued by Governor Newsom on June 11, 2021, the regular meeting of the Industry Public Utilities Commission, as of July 8, 2021, will now be held in person and telephonically. Members of the public can attend the hybrid meeting and offer public comments either in person or telephonically, by calling the following conference call number: 657-204-3264, then entering the following Conference ID: 946 667 104#. In accordance with Section 4(e)(i) of the County of Los Angeles Department of Public Health, Order of the Health Officer, dated June 28, 2021, all individuals who attend the meeting in person must wear a mask. Pursuant to the Governor's Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the IPUC meeting (including assisted listening devices), please contact the City Clerk's Office at (626) 333-2211 by 5:00 p.m. on Tuesday, July 6, 2021, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.**
- **Agenda Items:** Members of the public may address the Industry Public Utilities Commission on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda.
- **Public Comments (Non-Agenda Items Only):** Anyone wishing to address the Industry Public Utilities Commission on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the IPUC from taking action on a specific item unless it appears on the posted Agenda.

Agendas and other writings:

- *In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the Secretary of the IPUC during regular business hours, Monday through Thursday, 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 pm. City Hall doors are closed between 12:00 p.m. to 1:00 p.m. each day. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments
5. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Industry Public Utilities Commission (IPUC), the public, or staff request specific items be removed from the Consent Calendar for separate action.

- 5.1 Consideration of the Register of Demands for June 24, 2021

RECOMMENDED ACTION: Ratify the Register of Demands.

- 5.2 Consideration of the Register of Demands for July 8, 2021

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate IPU Officials to pay the bills.

- 5.3 Consideration of the minutes of the June 10, 2021 regular meeting, and the June 24, 2021 joint special meeting

RECOMMENDED ACTION: Approve as submitted.

- 5.4 Consideration of Amendment No. 3 to the Professional Services Agreement with POWER Engineers, Incorporated for engineering support and remote monitoring of the Waddingham Substation, extending the term through June 30, 2022, increasing compensation by \$25,000.00, and including indemnity language specific to independent contractors (MP 02-05 #7)

RECOMMENDED ACTION: Approve the Amendment.

- 5.5 Consideration of the updated Wildfire Mitigation Plan for Industry Public Utilities

RECOMMENDED ACTION: Approve the Wildfire Mitigation Plan and authorize the Public Utilities Director to submit to the California Wildfire Advisory Board.

5.6 Consideration of the Statement of Investment Policy

RECOMMENDED ACTION: Approve as submitted.

6. **BOARD MATTERS**

6.1 Report from the General Manager for the La Puente Valley County Water District regarding the Industry Public Utilities Water Operations

RECOMMENDED ACTION: Receive and file the report.

7. Adjournment. Next regular meeting: Thursday, August 12, 2021, at 8:30 a.m.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.1

INDUSTRY PUBLIC UTILITIES COMMISSION

AUTHORIZATION FOR PAYMENT OF BILLS

Board Meeting June 24, 2021

| <u>FUND</u> | <u>DESCRIPTION</u> | DISBURSEMENTS |
|-------------|--------------------|---------------|
| 161 | IPUC - ELECTRIC | 61,346.47 |

| <u>BANK</u> | <u>DESCRIPTION</u> | DISBURSEMENTS |
|-------------|-------------------------------|---------------|
| WFBK | IPUC ELECTRIC WELLS FARGO CHK | 61,346.47 |

APPROVED PER CITY MANAGER

Industry Public Utilities Commission

Wells Fargo Electric - Wire Transfers

June 24, 2021

| Check | Date | | | Payee Name | Check Amount |
|--|------------|------------|---|--|-------------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | | |
| WT108 | 06/03/2021 | | | CITY OF INDUSTRY CALIFORNIA AIR | \$3,131.00 |
| | Invoice | Date | Description | Amount | |
| | 6/3/21 | 06/03/2021 | TRANSFER-RENEWABLE ENERGY CREDIT | \$3,131.00 | |
| WT109 | 06/11/2021 | | | INDUSTRY PUBLIC UTILITIES | \$8,604.54 |
| | Invoice | Date | Description | Amount | |
| | 06/11/2021 | 06/11/2021 | TRANSFER-PUBLIC BENEFIT CHARGES FOR MAY | \$8,604.54 | |

| Checks | Status | Count | Transaction Amount |
|--------|--------|-------|--------------------|
| | Total | 2 | \$11,735.54 |

Industry Public Utilities Commission
Wells Fargo - Electric
June 24, 2021

| Check | Date | Payee Name | | Check Amount |
|--|---------------|--------------------------------------|---|--------------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | |
| 10769 | 06/14/2021 | FRONTIER | | \$295.46 |
| | Invoice | Date | Description | Amount |
| | 2021-00002054 | 05/28/2021 | 05/28-06/27/21 SVC - EM-179 S. GRAND AVE | \$41.95 |
| | 2021-00002055 | 05/28/2021 | 05/28-06/27/21 SVC - EM-21700 BAKER PKWY BLDG 23 | \$57.82 |
| | 2021-00002056 | 05/28/2021 | 05/28-06/27/21 SVC - EM-21912 GARCIA LN | \$76.25 |
| | 2021-00002110 | 06/01/2021 | 06/01-06/30/21 SVC - GS-21700 VALLEY BLVD | \$61.62 |
| | 2021-00002111 | 06/01/2021 | 06/01-06/30/21 SVC - GS-21650 VALEY BLVD | \$57.82 |
| 10770 | 06/14/2021 | SO CALIFORNIA EDISON COMPANY | | \$22,195.71 |
| | Invoice | Date | Description | Amount |
| | 2021-00002057 | 06/01/2021 | 05/02-06/01/21 SVC - 208 S WADDINGHAM WAY | \$15,218.99 |
| | 2021-00002112 | 06/01/2021 | 04/01-06/01/21 SVC - 208 S WADDINGHAM WAY | \$6,976.72 |
| 10771 | 06/17/2021 | FRONTIER | | \$1,627.26 |
| | Invoice | Date | Description | Amount |
| | 2021-00002122 | 06/01/2021 | 06/01-06/30/21 SVC - VARIOUS GENERATOR SITES | \$1,454.99 |
| | 2021-00002125 | 06/04/2021 | 06/04-07/03/21 SVC - GS-21620 VALLEY BLVD | \$61.62 |
| | 2021-00002126 | 06/04/2021 | 06/04-07/03/21 SVC - EM-21858 GARCIA LN | \$76.25 |
| | 2021-00002127 | 06/07/2021 | 06/07-07/06/21 SVC - GS-408 BREA CYN RD | \$34.40 |
| 10772 | 06/17/2021 | SOCALGAS | | \$50.00 |
| | Invoice | Date | Description | Amount |
| | 2021-00002128 | 06/09/2021 | 05/01-06/01/21 SVC - 1 INDUSTRY HILLS PKWY UNIT B | \$50.00 |
| 10773 | 06/24/2021 | APPLIED METERING TECHNOLOGIES | | \$4,242.50 |
| | Invoice | Date | Description | Amount |
| | 6598 | 05/26/2021 | UTILITY OPERATIONS-MAY 2021 | \$4,242.50 |

**Industry Public Utilities Commission
Wells Fargo - Electric
June 24, 2021**

| Check | Date | Payee Name | | Check Amount |
|--|-----------------|---------------------------------------|--------------------------------------|--------------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | |
| 10774 | 06/24/2021 | CNC ENGINEERING | | \$10,242.50 |
| | Invoice | Date | Description | Amount |
| | 503163 | 06/10/2021 | REMOTE MONITORING-WADDINGHAM STATION | \$2,475.00 |
| | 503164 | 06/10/2021 | CITY ELECTRICAL FACILIITES | \$7,767.50 |
| 10775 | 06/24/2021 | ENCO UTILITY SERVICES | | \$2,500.00 |
| | Invoice | Date | Description | Amount |
| | IPUC-2021-44348 | 06/01/2021 | CUSTOMER ACCOUNT SVC-MAY 2021 | \$2,500.00 |
| 10776 | 06/24/2021 | PACIFIC UTILITY INSTALLATION | | \$7,401.00 |
| | Invoice | Date | Description | Amount |
| | 23870 | 05/31/2021 | SUBSTATION MAINT | \$441.00 |
| | 23873 | 05/31/2021 | SUBSTATION MAINT | \$4,200.00 |
| | 23871 | 05/31/2021 | SUBSTATION MAINT | \$1,380.00 |
| | 23872 | 05/31/2021 | SUBSTATION MAINT | \$1,380.00 |
| 10777 | 06/24/2021 | TPX COMMUNICATIONS | | \$833.74 |
| | Invoice | Date | Description | Amount |
| | 143226605-0 | 05/23/2021 | INTERNET SVC-SUBSTATION | \$833.74 |
| 10778 | 06/24/2021 | UNDERGROUND SERVICE ALERT OF S | | \$85.90 |
| | Invoice | Date | Description | Amount |
| | 520210161 | 06/01/2021 | DIG ALERTS | \$85.90 |
| 10779 | 06/24/2021 | WREGIS | | \$136.86 |
| | Invoice | Date | Description | Amount |

**Industry Public Utilities Commission
Wells Fargo - Electric
June 24, 2021**

| Check | Date | Payee Name | Check Amount |
|---|------------|---------------------|--------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | |
| WR26655 | 06/08/2021 | WREGIS CERTIFICATES | \$136.86 |

| Checks | Status | Count | Transaction Amount |
|--------|--------|-------|--------------------|
| | Total | 11 | \$49,610.93 |

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.2

INDUSTRY PUBLIC UTILITIES COMMISSION

AUTHORIZATION FOR PAYMENT OF BILLS

Board Meeting July 8, 2021

| <u>FUND</u> | <u>DESCRIPTION</u> | <u>DISBURSEMENTS</u> |
|-----------------|--------------------|----------------------|
| 161 | IPUC ELECTRIC FUND | 65,729.32 |
| 560 | IPUC WATER FUND | 23,046.38 |
| TOTAL ALL FUNDS | | 88,775.70 |

| <u>BANK</u> | <u>DESCRIPTION</u> | <u>DISBURSEMENTS</u> |
|-----------------|---------------------------------|----------------------|
| IPUCELEC.WF | IPUC ELECTRIC WELLS FARGO CKING | 65,729.32 |
| IPUC.CHK | IPUC WATER BOFA CKING | 23,046.38 |
| TOTAL ALL BANKS | | 88,775.70 |

APPROVED PER CITY MANAGER

Industry Public Utilities Commission

Wells Fargo Electric - Wire Transfer

July 8, 2021

| Check | Date | Payee Name | | Check Amount |
|--|------------|----------------------------------|--|--------------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | |
| WT110 | 06/23/2021 | INDUSTRY PUBLIC UTILITIES | | \$10,133.87 |
| | Invoice | Date | Description | Amount |
| | 6/23/2021 | 06/23/2021 | TRANSFER-PUBLIC BENEFIT CHARGES FOR JUNE | \$10,133.87 |

| Check | Status | Count | Transaction Amount |
|-------|--------|-------|--------------------|
| | Total | 1 | \$10,133.87 |

Industry Public Utilities Commission
Wells Fargo - Electric
July 8, 2021

| Check | Date | | Payee Name | Check Amount |
|--|---------------|------------|--|--------------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | |
| 10780 | 06/23/2021 | | FRONTIER | \$379.32 |
| | Invoice | Date | Description | Amount |
| | 2021-00002131 | 06/10/2021 | 06/10-07/09/21 SVC - EM-21508 BAKER PKWY BLDG 22 | \$57.82 |
| | 2021-00002132 | 06/10/2021 | 06/10-07/09/21 SVC - GS-21640 VALLEY BLVD | \$57.82 |
| | 2021-00002133 | 06/10/2021 | 06/10-07/09/21 SVC - EM-21808 GARCIA LN | \$76.25 |
| | 2021-00002134 | 06/10/2021 | 06/10-07/09/21 SVC - GS-747 S. ANAHEIM PUENTE RD | \$187.43 |
| 10781 | 06/23/2021 | | SO CALIFORNIA EDISON COMPANY | \$11,154.88 |
| | Invoice | Date | Description | Amount |
| | 7501267550 | 06/18/2021 | 05/01-05/31/21 SVC - 133 N. AZUSA AVE | \$1,860.71 |
| | 7501267551 | 06/18/2021 | 05/01-05/31/21 SVC - 208 S. WADDINGHAM WAY | \$8,266.71 |
| | 7501267540 | 06/18/2021 | 05/01-05/31/21 SVC - 745 ANAHEIM-PUENTE RD | \$1,027.46 |
| 10782 | 07/08/2021 | | APPLIED METERING TECHNOLOGIES | \$6,267.50 |
| | Invoice | Date | Description | Amount |
| | 6614 | 06/25/2021 | UTILITY OPERATIONS-JUN 2021 | \$6,267.50 |
| 10783 | 07/08/2021 | | CASSO & SPARKS, LLP | \$24,358.05 |
| | Invoice | Date | Description | Amount |
| | 20516 | 06/21/2021 | JUN 2020-APR 2021 LEGAL SVC-IPUC ELECTRIC | \$24,358.05 |
| 10784 | 07/08/2021 | | CNC ENGINEERING | \$12,502.50 |
| | Invoice | Date | Description | Amount |
| | 503253 | 06/24/2021 | REMOTE MONITORING-WADDINGHAM STATION | \$1,290.00 |
| | 503254 | 06/24/2021 | CITY ELECTRICAL FACILIITES | \$11,212.50 |

**Industry Public Utilities Commission
Wells Fargo - Electric
July 8, 2021**

| Check | Date | | | Payee Name | Check Amount |
|--|-------------|------------|--------------------------|----------------------|--------------|
| IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK | | | | | |
| 10785 | 07/08/2021 | | | THE TECHNOLOGY DEPOT | \$99.00 |
| | Invoice | Date | Description | | Amount |
| | 16574 | 06/18/2021 | CLOUD CONNECT-WADDINGHAM | | \$99.00 |
| 10786 | 07/08/2021 | | | TPX COMMUNICATIONS | \$834.20 |
| | Invoice | Date | Description | | Amount |
| | 144378482-0 | 06/23/2021 | INTERNET SVC-SUBSTATION | | \$834.20 |

| Checks | Status | Count | Transaction Amount |
|--------|--------|-------|--------------------|
| | Total | 7 | \$55,595.45 |

**Industry Public Utilities Commission
Bank of America - Water
July 8, 2021**

| Check | Date | | Payee Name | Check Amount |
|--|----------------|------------|--|--------------|
| IPUC.CHK - IPUC Water BofA Checking | | | | |
| 40501 | 06/14/2021 | | SO CALIFORNIA EDISON COMPANY | \$16,022.88 |
| | Invoice | Date | Description | Amount |
| | 2021-00002066 | 06/03/2021 | 04/30-05/31/21 SVC - 1991 WORKMAN MILL U | \$16,022.88 |
| 40502 | 07/08/2021 | | CASSO & SPARKS, LLP | \$738.00 |
| | Invoice | Date | Description | Amount |
| | 20516-WATER | 06/21/2021 | JUNE 2020 - APRIL 2021 LEGAL SVC - IPU WATER | \$738.00 |
| 40503 | 07/08/2021 | | CNC ENGINEERING | \$440.00 |
| | Invoice | Date | Description | Amount |
| | 503256 | 06/24/2021 | CIWS MANAGEMENT AND OPERATION - PUENTE BASII | \$440.00 |
| 40504 | 07/08/2021 | | INDUSTRY PUBLIC UTILITIES COMMIS | \$2,000.00 |
| | Invoice | Date | Description | Amount |
| | JUL-21 | 06/14/2021 | REPLENISH PAYROLL ACCOUNT FOR JULY 2021 | \$2,000.00 |
| 40505 | 07/08/2021 | | ROWLAND WATER DISTRICT | \$3,845.50 |
| | Invoice | Date | Description | Amount |
| | I-05/31/2021-A | 05/31/2021 | MAY 2021 CONTRACT SVC | \$2,469.63 |
| | I-05/31/2021-B | 05/31/2021 | MAY 2021 CONTRACT SVC | \$1,375.87 |

| Checks | Status | Count | Transaction Amount |
|--------|--------|-------|--------------------|
| | Total | 5 | \$23,046.38 |

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.3

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 10, 2021
PAGE 1

CALL TO ORDER

The Regular Meeting of the Industry Public Utilities Commission of the City of Industry, California, was called to order by President Cory C. Moss at 8:30 a.m., telephonically using Conference Call Number 657-204-3264, Conference ID: 520 512 371#.

FLAG SALUTE

The flag salute was led by President Moss.

ROLL CALL

PRESENT: Cory C. Moss, President
Michael Greubel, Commissioner
Cathy Marcucci, Commissioner
Mark D. Radecki, Commissioner
Newell W. Ruggles, Commissioner

STAFF PRESENT: Troy Helling, City Manager; Bing Hyun, Assistant City Manager; Josh Nelson, Transition Manager/Director of Public Works/City Engineer; James M. Casso, General Counsel; Bianca Sparks, Assistant General Counsel; and Julie Robles, Secretary.

PUBLIC COMMENTS

There were no public comments.

CONSENT CALENDAR

5.1 CONSIDERATION OF THE REGISTER OF DEMANDS FOR MAY 27, 2021

RECOMMENDED ACTION: *Ratify the Register of Demands.*

5.2 CONSIDERATION OF THE REGISTER OF DEMANDS FOR JUNE 10, 2021

RECOMMENDED ACTION: *Approve the Register of Demands and authorize the appropriate IPU Officials to pay the bills.*

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 10, 2021
PAGE 2

5.3 CONSIDERATION OF THE MINUTES OF THE MAY 13, 2021 REGULAR MEETING

RECOMMENDED ACTION:

Approve as submitted.

5.4 CONSIDERATION OF AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MBF CONSULTING, INC., FOR ENGINEERING DESIGN SERVICES ON CAPITAL WATER IMPROVEMENT PROJECTS EXTENDING THE TERM THROUGH JULY 9, 2022, AND REVISING THE INDEMNITY PROVISIONS

RECOMMENDED ACTION:

Approve the Amendment.

MOTION BY COMMISSIONER GREUBEL, AND SECOND BY COMMISSIONER MARCUCCI TO APPROVE THE CONSENT CALENDAR AS SUBMITTED. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES, P/MOSS |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |

BOARD MATTERS

6.1 INDUSTRY PUBLIC UTILITIES 2020 CONSUMER CONFIDENCE REPORT

RECOMMENDED ACTION:

Receive and file the report.

Roy Frausto, General Manager of the La Puente Valley County Water District, provided a staff report and was available to answer any questions.

MOTION BY PRESIDENT MOSS, AND SECOND BY COMMISSIONER RADECKI TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 10, 2021
PAGE 3

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES, P/MOSS |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |

6.2 REPORT FROM THE GENERAL MANAGER FOR THE LA PUENTE VALLEY COUNTY WATER DISTRICT REGARDING THE INDUSTRY PUBLIC UTILITIES WATER OPERATIONS

RECOMMENDED ACTION: Receive and file the report.

Roy Frausto, General Manager of the La Puente Valley County Water District, provided a staff report and was available to answer any questions.

MOTION BY PRESIDENT MOSS, AND SECOND BY COMMISSIONER MARCUCCI TO RECEIVE AND FILE THE REPORT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES, P/MOSS |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |

6.3 DISCUSSION AND DIRECTION REGARDING THE ONLINE CERTIFICATION CONFIRMING THE CITY OF INDUSTRY WATERWORKS SYSTEM'S COMPLIANCE WITH AMERICA'S WATER INFRASTRUCTURE ACT OF 2018

RECOMMENDED ACTION: Authorize the LPVCWD's General Manager to complete the electronic (on-line) certification confirming the CIWS's compliance with America's Water Infrastructure Act (AWIA) of 2018 prior to June 30, 2021.

Mayor Moss indicated that Item 6.3 would be tabled until after Closed Session, since Item 7.1 needed to be discussed prior to voting on Item 6.3.

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 10, 2021
PAGE 4

CLOSED SESSION

- 7.1 THREAT TO PUBLIC SERVICES OR FACILITIES, pursuant to Government Code Section 54957
Consultation with La Puente Valley County Water District, General Manager
- 7.2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: *City of Industry v. San Gabriel Valley Water & Power, et al., and related cross actions*
Superior Court of California, County of Los Angeles
Case No. 19STCV10150

President Moss recessed the meeting into Closed Session at 8:39 a.m.

President Moss reconvened the meeting at 9:15 a.m. All members of the Commission were present.

City Attorney Casso reported out of Closed Session.

With regard to Closed Session items 7.1, no reportable action taken, nothing further to report.

6.3 DISCUSSION AND DIRECTION REGARDING THE ONLINE CERTIFICATION CONFIRMING THE CITY OF INDUSTRY WATERWORKS SYSTEM'S COMPLIANCE WITH AMERICA'S WATER INFRASTRUCTURE ACT OF 2018

RECOMMENDED ACTION: Authorize the LPVCWD's General Manager to complete the electronic (on-line) certification confirming the CIWS's compliance with America's Water Infrastructure Act (AWIA) of 2018 prior to June 30, 2021.

Roy Frausto, General Manager of the La Puente Valley County Water District, provided a staff report and was available to answer any questions.

INDUSTRY PUBLIC UTILITIES COMMISSION
REGULAR MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 10, 2021
PAGE 5

MOTION BY PRESIDENT MOSS, AND SECOND BY COMMISSIONER RADECKI TO AUTHORIZE THE LPVCWD'S GENERAL MANAGER TO COMPLETE THE ELECTRONIC (ON-LINE) CERTIFICATION CONFIRMING THE CIWS'S COMPLIANCE WITH AMERICA'S WATER INFRASTRUCTURE ACT (AWIA) OF 2018 PRIOR TO JUNE 30, 2021. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

| | | |
|----------|----------------|--|
| AYES: | COMMISSIONERS: | GREUBEL, MARCUCCI, RADECKI, RUGGLES, P/MOSS |
| NOES: | COMMISSIONERS: | NONE |
| ABSENT: | COMMISSIONERS: | NONE |
| ABSTAIN: | COMMISSIONERS: | NONE |

President Moss recessed Closed Session Item 7.2 at 9:18 a.m. and will be discussed and reported out along with the City Council Closed Session items.

President Moss reconvened the meeting at 10:39 a.m. All members of the Commission were present.

City Attorney Casso reported out of Closed Session.

With regard to Closed Session items 7.2, direction was given to Legal Counsel, no final action was taken. Nothing further to report.

ADJOURNMENT

There being no further business, the Industry Public Utilities Commission adjourned at 10:40 a.m.

CORY C. MOSS
PRESIDENT

JULIE ROBLES
SECRETARY

JOINT SPECIAL MEETING MINUTES OF THE
INDUSTRY PUBLIC UTILITIES COMMISSION
AND INDUSTRY PUBLIC FACILITIES AUTHORITY

JUNE 24, 2021
PAGE 1

CALL TO ORDER

The Joint Special Meeting of the Industry Public Utilities Commission and Industry Public Facilities Authority of the City of Industry, California, was called to order by President/Chair Cory Moss at 8:30 a.m., telephonically using Conference Call Number 657-204-3264, Conference ID: 439 676 59#.

FLAG SALUTE

The flag salute was led by President/Chair Moss.

ROLL CALL

PRESENT: Cory Moss, President/Chair
Catherine Marcucci, Commissioner//Vice Chair
Michael Greubel, Commissioner//Board Member
Mark Radecki, Commissioner//Board Member
Newell W. Ruggles, Commissioner//Board Member

STAFF PRESENT: Troy Helling, City Manager; Bing Hyun, Assistant City Manager; Josh Nelson, Transition Manager/Director of Public Works/City Engineer; James M. Casso, General Counsel; and Julie Robles, Secretary.

PUBLIC COMMENTS

There were none.

CONSENT CALENDAR

5.1 CONSIDERATION OF THE MINUTES OF THE FEBRUARY 11, 2021 JOINT SPECIAL MEETING

RECOMMENDED ACTION:

Approve as submitted.

5.2 CONSIDERATION OF AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH CLIFTONLARSONALLEN LLP, FOR AUDITING SERVICES IN AN AMOUNT NOT TO EXCEED \$11,950.00 THROUGH JUNE 30, 2022

RECOMMENDED ACTION:

Approve Amendment No. 1.

JOINT SPECIAL MEETING MINUTES OF THE
INDUSTRY PUBLIC UTILITIES COMMISSION
AND INDUSTRY PUBLIC FACILITIES AUTHORITY

JUNE 24, 2021

PAGE 2

5.3 CONSIDERATION OF RESOLUTION NO. IPUC 2021-04 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION ADOPTING THE FY 2021-22 INDUSTRY PUBLIC UTILITIES BUDGET

RECOMMENDED ACTION:
04.

Adopt Resolution No. IPUC 2021-

5.4 CONSIDERATION OF RESOLUTION NO. IPFA 2021-01 – A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY (“IPFA”), ADOPTING THE FY 2021-22 IPFA BUDGET

RECOMMENDED ACTION:
01.

Adopt Resolution No. IPFA 2021-

MOTION BY MAYOR MOSS, AND SECOND BY COUNCIL MEMBER GREUBEL TO APPROVE THE CONSENT CALENDAR. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

| | | |
|---------|----------------|--|
| AYES: | BOARD MEMBERS: | GREUBEL, RADECKI, RUGGLES, MARCUCCI, MOSS |
| NOES: | BOARD MEMBERS: | NONE |
| ABSENT | BOARD MEMBERS: | NONE |
| ABSTAIN | BOARD MEMBERS: | NONE |

ADJOURNMENT

There being no further business, the Joint Special Meeting adjourned at 8:33 a.m.

CORY MOSS
PRESIDENT/CHAIR

JULIE ROBLES
SECRETARY

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.4



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Honorable President Moss and Commissioners

FROM: Troy Helling, Public Utilities Director

STAFF: Joshua Nelson, IPU Engineer
Dev Birla, Operations Manager, CNC Engineering

DATE: July 8, 2021

SUBJECT: Consideration of Amendment No.3 to the Professional Services Agreement with POWER Engineers, Incorporated for engineering support and remote monitoring of the Waddingham Substation, extending the term through June 30, 2022, increasing compensation by \$25,000.00, and include indemnity language specific to independent contractors (MP 02-05#7)

Background:

On April 11, 2019, the Commission approved the Professional Services Agreement ("Agreement") with POWER Engineers, Inc. ("PEI") in an amount not-to-exceed \$160,000.00. The scope of work includes providing engineering support for the remote monitoring of Waddingham Substation, evaluation of the grounding grid, cyber security, ETAP system model and update of the Spill Prevention Control and Counter Measures ("SPCC") Plan. On October 10, 2019, the Commission approved Amendment No.1 to include travel and other reimbursable expenses.

On December 10, 2020, the Commission approved Amendment No. 2 to extend the term through December 31, 2021 and increase compensation by \$25,000.00 to complete the remaining work of construction support and software and license updates and upgrades of equipment.

Discussion:

To date, much of the engineering work has been completed by PEI, however continued monitoring of the software and equipment is still required for another year. Staff recommends continuing coverage with PEI for engineering support and remote monitoring of the Waddingham Substation. Amendment No. 3 will extend the term through June 30, 2022, increase compensation by \$25,000.00 to cover the remaining work, and include indemnification language specific to independent contractors.

Fiscal Impact:

The fiscal impact for Amendment No. 3 is \$25,000.00. This is budgeted for in the adopted fiscal year 2021-2022 budget Account No. 161-300-6200.

Recommendation:

It is recommended that the Commission approve Amendment No. 3 to the Professional Services Agreement with PEI.

Exhibit:

- A. Amendment No. 3 to the Professional Services Agreement with POWER Engineers, Incorporated, dated July 8, 2021

TH/JN/DB:jf

EXHIBIT A

Amendment No. 3 to the Professional Services Agreement with POWER Engineers,
Incorporated, dated July 8, 2021

[Attached]

**AMENDMENT NO. 3
TO PROFESSIONAL SERVICES AGREEMENT WITH
POWER ENGINEERS, INC.**

This Amendment No. 3 to Professional Services Agreement (“Agreement”) is made and entered into this 8th day of July 2021, (“Effective Date”) by and between the Industry Public Utilities, a public agency organized and existing under the laws of the State of California, (“IPU”) and POWER Engineers, Incorporated, an Idaho corporation, (“Consultant”). The IPU and Consultant are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on or about April 11, 2019, the IPUC and Consultant entered into the Agreement to provide engineering support to enable remote monitoring of Waddingham Substation, evaluation of grounding grid, cyber security, ETAP system model, and update the Spill Prevention Control and Counter Measures (“SPCC”) Plan; and

WHEREAS, on or about October 10, 2019, IPUC approved Amendment No. 1, revising the rate schedule to include reimbursement of travel and other related expenses, and updating the current address for the General Counsel; and

WHEREAS, on or about December 10, 2020, IPUC approved Amendment No. 2 to extend the term through December 31, 2021, and increase compensation by \$25,000 to complete the remaining work of construction support and software and license updates and upgrades of equipment; and

WHEREAS, there are ongoing services the Consultant must complete, therefore the Parties desire to amend the Agreement to extend the term through June 30, 2022, with a companion increase in compensation by \$25,000.00. It is also necessary to include language requiring indemnity specific to independent consultants and to revise the address for notices to the IPU; and

WHEREAS, for the reasons set forth herein, the IPU and Consultant desire to enter into this Amendment No.3, as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

1. TERM

Section 1, Term, is hereby revised to read in its entirety as follows:

This Agreement shall commence on the Effective Date and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2022, unless sooner terminated pursuant to the provisions in the Agreement.

4. PAYMENT

Second sentence of Section 4(a) is hereby revised to read in its entirety as follows:

This amount shall not exceed Two Hundred Ten Thousand Dollars (\$210,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

9. INDEPENDENT CONSULTANT

Section 9(c) is hereby added to read in its entirety as follows:

(c) Consultant shall indemnify, defend and hold harmless, the IPU, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including contributions to any retirement and/or pension plan, legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant, service as an independent contractor. The provisions of this Section 9(c) are effective as of January 1, 2020. The indemnity provisions set forth in this Section 9(c) shall survive the termination of this Agreement and are in addition to any other rights or remedies the IPU may have under the law.

14. NOTICES

The address for IPU is hereby revised to read in its entirety as follows:

Industry Public Utilities
15625 Mayor Dave Way
City of Industry, CA 91744

Attention: Troy Helling, Public Utilities Director

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 3 to the Agreement as of the Effective Date.

(SIGNATURES ON THE FOLLOWING PAGE)

“IPU”
Industry Public Utilities

“CONSULTANT”
POWER Engineers, Inc.

By: _____
Cory Moss, President

By: _____
Greg Clark, Senior Project Manager

Attest:

By: _____
Julie Gutierrez-Robles, Commission Secretary

APPROVED AS TO FORM

By: _____
James M. Casso, General Counsel

**EXHIBIT A TO AMENDMENT NO. 3:
PROFESSIONAL SERVICES AGREEMENT WITH POWER ENGINEERS,
INCORPORATED
(DATED APRIL 11, 2019)**

**INDUSTRY PUBLIC UTILITIES COMMISSION
PROFESSIONAL SERVICES AGREEMENT**

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of April 11, 2019 ("Effective Date"), between the Industry Public Utilities Commission ("IPUC") and POWER Engineers, Incorporated, an Idaho corporation, ("Consultant"). The IPUC and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, IPUC desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, IPUC and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2020, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the IPUC. The Services shall be performed by Consultant, unless prior written approval is first obtained from the IPUC. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) IPUC shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the IPUC and in a first-class manner in conformance with the standards of quality normally observed by an entity providing engineering consulting services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom

Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) IPUC has not consented in writing to Consultant's performance of such work. No officer or employee of IPUC shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the IPUC. If Consultant was an employee, agent, appointee, or official of the IPUC in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the IPUC for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

IPUC's Public Utilities Director or his designee shall represent the IPUC in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The IPUC agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed One Hundred Sixty Thousand Dollars (\$160,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the IPUC. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by IPUC and Consultant at the time IPUC's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as

practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the IPUC disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The IPUC may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the IPUC suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the IPUC shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the IPUC. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the IPUC pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by IPUC that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of IPUC or its designees at reasonable times to review such books and records; shall give IPUC the right to examine and audit said books and records; shall permit IPUC to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, and upon final payment of all undisputed invoices, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the IPUC and may be used, reused, or otherwise disposed of by the IPUC without the permission of the Consultant. The IPUC shall not gain ownership of any intellectual property of Consultant that was used to create the services. With respect to computer files, Consultant shall make available to the IPUC, at the Consultant's office, and upon reasonable written request by the IPUC, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant shall grant to IPUC a non-exclusive, perpetual,

royalty-free, world-wide, limited license under copyright to use all reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the Consultant.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the IPUC and any and all of its officials, and employees ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless IPUC, and any and all of its employees, and officials from and against any liability (including liability for claims, suits, actions, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the negligent performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY. In the event the IPUC, its officers, employees, and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the comparatively negligent performance of the services encompassed by this Agreement, and upon demand by IPUC, Consultant shall have an immediate duty to mutually consult the IPUC at Consultant's cost or at IPUC's option, to reimburse the IPUC for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent that any liability arises out of the negligent acts or omissions of Consultant.

In the event of any dispute between Consultant and IPUC, as to whether liability arises from the sole negligence of the IPUC or its officers, employees, or agents, Consultant will be obligated to pay for IPUC's defense until such time as a final judgment has been entered adjudicating the IPUC as comparatively negligent. Consultant will be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the IPUC a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither IPUC nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the IPUC. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the IPUC, or bind the IPUC in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, IPUC shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for IPUC. IPUC shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The IPUC, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the IPUC in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the IPUC has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the IPUC to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of IPUC, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without IPUC's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the IPUC, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the IPUC, unless otherwise required by law or court order. (b)

Consultant shall promptly notify IPUC should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the IPUC, unless Consultant is prohibited by law from informing the IPUC of such Discovery, court order or subpoena. IPUC retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless IPUC is a party to the lawsuit, mediation or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the IPUC and to provide the opportunity to review any response to discovery requests provided by Consultant. However, IPUC's right to review any such response does not imply or mean the right by IPUC to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To IPUC:

Industry Public Utilities Commission
15625 E. Stafford, Suite 100
City of Industry, CA 91744

Attention: Troy Helling, Public Utilities Director

With a Copy to: James M. Casso, Legal Counsel
Casso & Sparks, LLP
13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

To Consultant: POWER Engineers, Inc.
3944 Murphy Canyon Road, Suite 100
San Diego, CA 92123

Attention: Hector Esquer, PE, Project Manager

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the IPUC.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide IPUC with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying IPUC as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the IPUC for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the IPUC for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the IPUC and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, and hold harmless the Indemnified Parties for any claims arising from, or related to, the negligent services performed by a subconsultant under this Agreement.

16. GOVERNING LAW/ATTORNEYS' FEES

The IPUC and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

The waiver by IPUC or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by IPUC or Consultant unless in writing.

22. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or

the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

Any and all disputes, controversies or claims between the Parties to this Agreement, if not settled within twenty (20) days following written notice of such dispute, shall be referred to senior management of the Parties for resolution. In the event the Parties are unable to settle the dispute through senior management negotiations as set forth above, all remaining controversies or claims shall then be submitted to mediation within ten (10) days from written notice by either Party to the other of the conclusion of senior management negotiations. Mediation shall follow the Commercial Mediation Rules published by the American Arbitration Association. The Parties shall share equally the costs and fees of the mediator and each Party shall pay its own costs and attorneys' fees incurred in mediation or any subsequent litigation. Unless the Parties agree otherwise, mediation shall be held in Los Angeles County, California. This agreement to mediate and any other agreement or consent to mediate entered into in accordance with this Agreement shall be specifically enforceable under the prevailing law of any court having jurisdiction. In the event the dispute has not been resolved within thirty (30) days following mediation, or such longer period as the Parties may agree, either Party may initiate formal proceedings against the other Party.

Consultant and the IPUC waive, to the fullest extent permitted by law, any right they may have to receive damages from the other Party based on any theory of liability for any special, indirect, consequential (including lost profits), exemplary or punitive damages.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, THE IPUC AGREES TO LIMIT THE CONSULTANT'S LIABILITY TO THE IPUC AND TO ALL PERSONS HAVING CONTRACTUAL RELATIONSHIPS WITH THE IPUC TO THE AMOUNT OF INSURANCE UNDER EXHIBIT C.

23. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

24. LIMITATION OF LIABILITY

NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, THE IPUC AGREES TO LIMIT THE CONSULTANT'S LIABILITY TO THE IPUC AND TO ALL PERSONS HAVING CONTRACTUAL RELATIONSHIPS WITH THE IPUC TO THE AMOUNT OF INSURANCE UNDER EXHIBIT C.

25. MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES

Consultant and the IPUC waive, to the fullest extent permitted by law, any right they may have to receive damages from the other Party based on any theory of liability for any special, indirect, consequential (including lost profits), exemplary or punitive damages.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

“IPUC”

Industry Public Utilities Commission

“CONSULTANT”

POWER Engineers, Inc.

By


Troy Helling, Public Utilities Director

By


Greg Clark, Sr. Project Manager

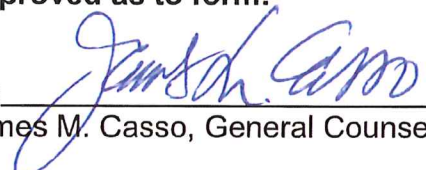
Attest:

By


Julie Gutierrez –Robles, Deputy Commission Secretary

Approved as to form:

By:


James M. Casso, General Counsel

Attachments: Exhibit A Scope of Services
 Exhibit B Rate Schedule
 Exhibit C Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Consultant shall provide the following Services:

1. Remote monitoring of Waddingham substation, cyber security, grounding grid analysis and ETAP system model etc.

- Update substation drawings to include the following:
 - One (1) new SEL -3620 Ethernet Security Gateway
 - One (1) new SEL-2730 U 24-Port Ethernet Switch
 - Wiring of GPS clock IRIG-B signals to 66 kV relays and meters.
 - Update single-line- diagram with additions and corrections
- Develop Electric System Model in ETAP from SCE 66 kV power source through the 12 kV feeder breakers
- Perform load flow study (real and reactive power), short-circuit analysis, protective coordination and arc flash incident energy analysis
- Update relay settings based on protection coordination study
- Arc- flash analysis per IEEE Std. 1584 and provide arc flash labels for 12 kV switchgears
- Perform Soil Resistivity tests in the substation and develop a model in CDEGS software package. Using the CDEGS model analyze step and touch voltages within the substation and 3 feet beyond the swing of outward opening gate. Provide a summary grounding report with the required mitigations in the ground grid including the substation boundary fence grounding.
- Facilitate remote monitoring of substation. Define network criteria document and provide configuration for the SEL-3620 Ethernet Security Gateway. The configuration to include remote access to the existing two SEL RTACs, Citect HMI and two SEL 66 kV substation meters.
- As – built points list for existing SEL RTACs configuration before any performing any modifications and then a recorded version of points list as record documentation after commissioning is completed.
- Modify existing Citect HMI one line diagram to include the addition of the 12 kV bypass breaker status , remote control of breakers and disconnects and 66 kV metering information IPUC requires to display.
- Provide remote web access to the CITECT HMI for monitoring the substation- specify the Web/Internet view only software and make it functional
- Add email notification functionality to provide notification on critical and non- critical alarms, equipment status changes and relay operations. Include battery and battery chargers alarms. Develop a point list of alarms and points and implement after IPUC approval.
- Purchase and configure three software SEL-5045 Team Event, TEAM Profile and SEL-5630 Meter Reports. Automate event report collection from relays, sequence of event data collection and notification via email or SMS text messages.
- Modify or configure two substation SEL 66 kV meters to allow hourly automated meter readings using SEL-5045 TEAM Profile software.
- Issue for construction (IFC) package for any new construction.
- Provide direction and supervision for any related field work done in the substation by IPUC's contractor

- Any training related to TEAM and other functions

2. Update Spill Prevention Control and Counter Measures(SPCC) Plan for Waddingham Substation

- Review the existing SPCC Plan for the Waddingham 66 kV to 12 kV substation against the most recent amendments to the U.S. Environmental Protection Agency's oil pollution prevention regulations at Title 40 CFR Part 112 and California Aboveground Petroleum Storage Act.
- Kick-off meeting at IPUC office and site visit to Waddingham Substation
- Conduct Field Investigation and validate the data
- Identify instances of non- compliance and recommend solutions
- Update the SPCC Plan and conduct conference call with IPUC
- Develop final plan for IPUC approval
- Deliver signed and PE stamped final SPCC Plan

EXHIBIT B
RATE SCHEDULE

PERSONNEL CLASSIFICATION

| | |
|-----------------------------------|--------------|
| President | \$283.00/hr. |
| Executive Vice President | |
| Senior Project Manager IV | |
| Project Manager Director | \$280.00/hr. |
| Senior Project Manager III | |
| Senior Project Manager II | \$265.00/hr. |
| Senior Program Manager II | |
| Senior Project Manager I | \$250.00/hr. |
| Senior Program Manager I | |
| Senior Project Engineer III | |
| Strategic Consultant III | |
| Project Manager III | \$235.00/hr. |
| Project Lead IV | |
| Construction Manager III | |
| Senior Project Engineer II | |
| Strategic Consultant II | |
| Senior Consultant III | |
| Project Manager II | \$210.00/hr. |
| Project Lead III | |
| Strategic Consultant I | |
| Senior Consultant II | |
| Project Engineer III | |
| Construction Manager II | |
| Senior Project Engineer I | |
| Engineer V | |
| Project Manager I | \$180.00/hr. |
| Project Lead II Construction | |
| Manager I Environmental | |
| Specialist IV Project Engineer II | |
| Engineer IV | |
| Designer V | |
| Project Administrator III | |
| Senior Consultant I | |
| Consultant III | |

Project Lead I \$170.00/hr.
Project Engineer I
Engineer III
Designer IV
Environmental Specialist III
Procurement Specialist III
Scheduling Specialist III
Project Administrator II
Consultant II

Engineer II \$158.00/hr.
Designer III
Technician IV
Environmental Specialist II
Procurement Specialist II
Scheduling Specialist II
Project Administrator I
Consultant I

Engineer I \$144.00/hr.
Designer II
Technician III
Environmental Specialist I
Procurement Specialist I Field
Representative IV Scheduling
Specialist I Project
Managers Assistant III

Designer I \$127.00/hr.
Drafter III
Technician II
Administrative Assistant I
Field Representative III
Staff Assistant II
Project Managers Assistant II

Drafter II \$107.00/hr.
Staff Assistant
Field Representative II
Project Manager Assistant I

Drafter I \$87.00/hr.
General Office Assistant
Field Representative I

SPECIAL APPLICATION SOFTWARE

| | |
|------------------------|-------------|
| Level I Software * | \$10.00/hr. |
| Level II Software ** | \$20.00/hr. |
| Level III Software *** | \$35.00/hr |
| Level IV Software **** | \$60.00/hr |

* Level I Software includes, among others: Structural Design, Foundation Design, HVAC Design, Conveyor Design, and Rockwell RSView & RSLogix.

** Level II Software includes, among others: ASPEN OneLiner, ESA Easy Power, Milsoft Windmil, OSI ETAP, Pathloss, SKM PTW, SynerGEE, Smart Plant P&ID, Smart Plant Instrumentation, Autodesk Revit, Navisworks, PTW, Matlab, PLS-Cad, TL-PRO, AutoCAD, AutoCAD Plant, AutoCAD Civil 3D, MicroStation, and specialized estimating programs.

***Level III Software includes, among others: CDEGS (RESAP/MALZ), GE PSLF, PSCAD (PSCAD/EMTDC), PTI PSS/E, WinIGS, Smart Plant 3D, PDS, ArcGis, Caesar II, and Electrocon CAPE.

****Level IV Software includes, among others: CDEGS, CDEGS (HiFREQ), Aspentech, and Autodesk 3D Max.

REPRODUCTION

Drawings – Black & White

| | |
|-------------------------------|------------|
| Large Scale Drawings (C Size) | \$1.90/ea. |
| Large Scale Drawings (D Size) | \$3.30/ea. |
| Large Scale Drawings (E Size) | \$5.50/ea. |

Drawings – Color

| | |
|-------------------------------|-------------|
| Large Scale Drawings (C Size) | \$6.00/ea. |
| Large Scale Drawings (D Size) | \$10.90/ea. |
| Large Scale Drawings (E Size) | \$17.50/ea. |

Documents – Black & White

| | | |
|---------------------|-------------------|--------------------|
| Single-sided copies | 8 x 11 \$0.11/ea. | 11 x 17 \$0.17/ea. |
| Double-sided copies | 8 x 11 \$0.22/ea. | 11 x 17 \$0.34/ea. |

Documents – Color

| | | |
|--------------------------------------|-------------------|--------------------|
| Single-sided copies | 8 x 11 \$0.50/ea. | 11 x 17 \$1.00/ea. |
| Double-sided copies | 8 x 11 \$1.00/ea. | |
| Spiral Comb | | \$2.65/ea. |
| 3 Ring Binder | | Dependent on size |
| Special Copy Center Projects (Labor) | | \$45.00/hr. |

SURVEY EQUIPMENT

| | | |
|--|--------------|--------------|
| Survey Equipment to support field crew | | \$70.00/day |
| GPS Equipment 2 Units | \$60.00/hour | \$350.00/day |
| GPS Equipment 3 Units | \$80.00/hour | \$450.00/day |

Communication Charge - including but not limited to VOIP charges, file sharing cloud services, and web collaboration sites, charged at 1% of labor billing charges.

CAD Usage Charge – charged at 3% of labor billing charges.

*This standard Rate Schedule is for professional services. Unless agreed otherwise, charges for work on continuing projects will be based on the then current Rate Schedule. A new Rate Schedule will be issued to be effective January 1 of each new year and as necessary on an intermediate basis to accommodate new items or revised charges. Invoices will be submitted monthly and/or upon completion of the work and will be due and payable when issued. All accounts not paid within thirty (30) days after Owner’s receipt of the invoice will bear a **SERVICE CHARGE OF 1.0% PER MONTH** for each month the invoice is unpaid.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of IPUC, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to IPUC.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to IPUC, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of IPUC, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to IPUC as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by IPUC's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with IPUC at all times during the term of this contract. IPUC reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by IPUC shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of IPUC before the IPUC's own insurance or self-insurance shall be called upon to protect it as a named insured.

IPUC's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, IPUC has the right but not the duty to obtain the insurance it deems necessary and any premium paid by IPUC will be promptly reimbursed by Consultant, or IPUC will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, IPUC may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the IPUC's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against IPUC, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against IPUC, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the IPUC to inform Consultant of non-compliance with any requirement imposes no additional obligations on the IPUC nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the IPUC requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the IPUC.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to IPUC with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that IPUC and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to IPUC and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to IPUC for review.

IPUC's right to revise specifications. The IPUC reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the IPUC and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the IPUC. The IPUC reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the IPUC.

Timely notice of claims. Consultant shall give the IPUC prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.5



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Honorable President Moss and Commissioners

FROM: Troy Helling, Public Utilities Director

STAFF: Joshua Nelson, IPU Engineer
Dev Birla, Operations Manager, CNC Engineering

DATE: July 8, 2021

SUBJECT: Consideration of the updated Wildfire Mitigation Plan for Industry Public Utilities

Background:

In 2016, Governor Brown signed Senate Bill ("SB") 1028 (stats. 2016), which required publicly owned utilities ("POUs") to identify additional wildfire mitigation measures that the POU could take if the POU governing board first found that its overhead electric lines and equipment posed a significant risk of causing a catastrophic wildfire. SB 1028 required that the POU governing board (Industry Public Utilities Commission) must base this determination on "historical fires and local conditions," and must consult with local fire departments and other entities with responsibilities for the control of wildfires within the relevant area. These requirements were specified in the newly added Public Utilities Code Section 8387.

In 2018, the California Public Utilities Commission ("CPUC") completed the development of the statewide Fire Threat Map that designates areas of the state at an elevated risk of electric line-ignited wildfires. Then Governor Brown signed SB 901 (stats. 2018), which addressed a wide range of issues relating to wildfire prevention, response, and recovery. SB 901 substantially revised the Public Utilities Code Section 8387, eliminating the prior process established by SB 1028 and instead making it mandatory for all POUs (regardless of size or wildfire risk) to develop a wildfire mitigation plan. Pursuant to the amended Section 8387, all POUs must present a wildfire mitigation plan to its governing board prior to January 1, 2020, and annually thereafter.

In 2019, two new bills (SB 1054 and SB 111) made additional major reforms relating to wildfires. As part of these reforms, SB 111 created a new state agency called the California Wildfire Safety Advisory Board ("WSAB") and SB 1054 requires that all POU's must submit their wildfire mitigation plans to the WSAB by July 1 of each year, starting in 2020. The WSAB will then review the POU plans and will provide comments and advisory opinions on the content and sufficiency of the plans.

The Industry Public Utilities Commission adopted the Industry Public Utilities ("IPU") Wildfire Mitigation Plan ("WMP") at the Commission's December 12, 2019 regular meeting.

Discussion:

WSAB issued the Guidance Advisory Opinion for the 2021 Wildfire Mitigation Plans of Electric Publicly Owned Utilities and Cooperatives ("2021 WSAB Guidance Advisory Opinion") on December 15, 2020. IPU staff has prepared an informational response included in Exhibit B to provide a narrative response and/or a cross reference to the location in the adopted WMP where the topic is addressed.

IPU's electric distribution system is all underground in conduit and vaults, except pad mounted switches and pad mounted transformers; thus, reducing the risk of powerline-ignited wildfires. IPU remains in a low-risk fire threat zone and annually reviews department procedures and operations to ensure low wildfire risk. IPU's overarching goal is to provide safe, reliable, and economic electric service to its service territory and the WMP memorializes those efforts.

On June 22, 2021, Staff submitted the Information Response to Wildfire Safety Advisory Board, to meet the July 1, 2021 deadline. Upon approval by the Commission, Staff will submit it to the WSAB.

Fiscal Impact:

There is no fiscal impact associated with this item.

Recommendation:

It is recommended that the Commission approve the updated Wildfire Mitigation Plan and direct staff to submit to the WSAB.

Exhibits:

- A. Updated Wildfire Mitigation Plan, Version 2, dated July 8, 2021
 - B. IPU Wildfire Mitigation Plan 2021 Informational Response, dated July 8, 2021
-

TH/JN/DB:jf

EXHIBIT A

Updated Wildfire Mitigation Plan, Version 2, dated July 8, 2021

[Attached]

INDUSTRY PUBLIC UTILITIES ELECTRICAL UTILITY WILDFIRE MITIGATION PLAN

VERSION 2

July 8, 2021

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I. OVERVIEW

A. POLICY STATEMENT

City of Industry (“COI” or “City”) is a California charter city, located in Los Angeles County, approximately 12 square miles in area. It is mostly an industrial city and according to 2010 Census, it is home for over 3,000 businesses and approximately 219 residents. The electrical service to most of the customers in the City is provided by Southern California Edison (“SCE”). On February 22, 2001, the City Council adopted Ordinance No. 664 (Codified as Title 7 of the Industry Municipal Code), establishing a public utilities department to oversee the operations of the public utility (the utility is hereinafter referred to as the “Industry Public Utilities” or the “IPU”). The IPU currently provides electrical service to approximately 115 customers with peak demand of 8 MW, and annual energy sales of approximately 42,000 MWh. IPU’s overarching goal is to provide safe, reliable, and economic electric service to the local community. To meet this goal, the IPU constructs, maintains, and operates its electrical lines and equipment in a manner that minimizes the risk of catastrophic wildfire posed by its electrical lines and equipment. All IPU electrical lines are underground

B. PURPOSE OF THE WILDFIRE MITIGATION PLAN

The IPU is in a region of the state with a low wildfire risk. No part of the IPU’s service territory is in or near the High Fire Threat District designated in the California Public Utilities Commission’s (“CPUC”) Fire Threat Map, and all IPU service territory is designated as “non-fuel” or “moderate” in the California Department of Forestry and Fire Protection’s (“CALFIRE”) Fire and Resource Assessment Program (“FRAP”) Fire Threat Map. Based on a review of local conditions and historical fires, IPU has determined that its electrical lines and equipment do not pose a significant risk of catastrophic wildfire.

Moreover, the IPU’s entire 12,000- volt electric distribution system is located underground in conduit and vaults and has no overhead distribution lines. IPU does not own, operate, or maintain any transmission or sub- transmission lines except two short underground 66,000- Volt taps less than 150 feet long which run from SCE’s 66,000- Volt Grand Crossing Substation to the IPU owned Waddingham 66,000 –Volt to 12,000- Volt Substation. Two other IPU interconnections were made with SCE are located at the Pacific Palms Hotel and at the Anaheim- Puente Road City owned parcel to the west of the northerly end of the street via an underground 12,000- volt distribution system. All distribution lines emanating from Waddingham substation are underground and all future distribution lines will be underground.

Historically, undergrounded electric lines have not been associated with catastrophic wildfires. The undergrounding of electric lines serves as an effective mitigation measure to reduce the potential of power-line ignited wildfires. Based on a review of local conditions and historical fires, IPU has determined that its electrical lines and equipment do not pose a significant risk of catastrophic wildfire.

Despite this low risk, IPU takes appropriate actions to help the region prevent and respond to the increasing risk of devastating wildfires. In its role as a public agency, IPU closely coordinates with other local safety and emergency officials (Los Angeles County Fire and Sheriff Departments) to help protect against fires and respond to emergencies. In its role as a utility, IPU follows all applicable design, construction, operation, and maintenance requirements that reduce safety risks associated with its system. This Wildfire Mitigation Plan (“Plan”) describes the safety-related measures that IPU follows to reduce its risk of causing wildfires, including its various programs, policies, and procedures.

This Plan is subject to direct supervision by the Industry Public Utilities Commission and is implemented by Public Utilities Director. This Plan complies with the requirements of Public Utilities Code Section 8387 for publicly owned electric utilities to prepare a wildfire mitigation plan by January 1, 2020, and annually thereafter. This plan also complies with the requirement of SB 901.

C. ORGANIZATION OF THE WILDFIRE MITIGATION PLAN

This Wildfire Mitigation Plan includes the following elements:

- Objectives of the Plan;
- Roles and responsibilities for carrying out the Plan;
- Identification of key wildfire risks and risk drivers;
- Description of wildfire prevention, mitigation, and response strategies and programs;
- Metrics for evaluating the performance of the Plan and identifying areas for improvement; and
- Review and validation of the Plan.

II. OBJECTIVES OF THE WILDFIRE MITIGATION PLAN

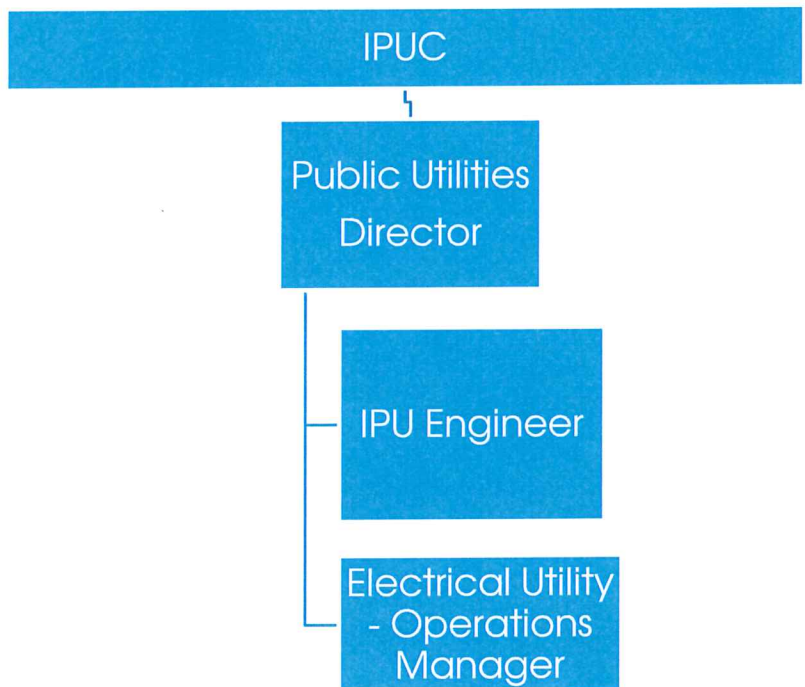
The primary goal of this Wildfire Mitigation Plan is to describe IPU’s existing programs, practices, and measures that effectively reduce the probability that IPU’s electric supply system could be the origin or contributing source for the ignition of a wildfire. To support this goal, IPU regularly evaluates the prudent and cost-effective improvements to its

physical assets, operations, and training that can help reduce the risk of equipment-related fires.

The secondary goal of this Wildfire Mitigation Plan is to improve the resiliency of the electric grid. As part of the development of this Plan, IPU assesses new industry practices and technologies that will reduce the likelihood of an interruption (frequency) in service and improve the restoration (duration) of service.

III. ROLES AND RESPONSIBILITIES

A. UTILITY GOVERNANCE STRUCTURE



This Plan is subject to the direct supervision by the Industry Public Utilities Commission and will be implemented by the Industry Public Utilities Director. Pursuant to Section 7.04.020 of the City of Industry Municipal Code, the City Council serves as the Commissioners of the IPUC. The City Manager serves as the Public Utilities Director, and the City’s Director of Public Works/City Engineer serves as the Engineer to the IPU.

B. ROLES AND RESPONSIBILITIES FOR EXECUTION OF PLAN

Executive Level Responsibility: The Public Utilities Director will oversee implementation of the Plan and ensure that staff follows procedures and protocols. IPU Engineer will manage the execution of performance monitoring which includes providing guidance to IPU staff and leading the development of any reports required.

The table below describes the proposed assignments and are subject to change.

| Assignment | Lead Personnel | Key Technical Personnel |
|---|--|--|
| IPU Wildfire Prevention and Improved Response Program | IPU Engineer and person in- charge of Local Los Angeles County Fire Department Station | IPU- Electrical Operations Manager and Local LA County Fire Department |
| Public Safety and Notification | IPU Engineer & IPU- Electrical Operations Manager | IPU Contractor – ENCO City and IPU Staff as required |
| Enhanced Inspections and Operational Practices | IPU- Electrical Operations Manager | IPU Staff – Inspectors IPU Contractors – PUI & ENCO |
| Wildfire Response and Recovery | IPU Engineer and person in- charge of Local Los Angeles County Fire Department Station | IPU- Electrical Operations Manager and Local LA County Fire Department |
| Coordination with Los Angeles County Sheriffs and LA County Public Works Department | IPU Engineer and person in- charge of Local Los Angeles County Fire Department Station | CNC Engineering for LA County Public Works Department |
| Coordination with other City Departments | IPU Engineer | CNC Engineering |

C. ROLE IN WILDFIRE PREVENTION

IPU – Electrical staff roles and responsibilities for (1) electric facility design, maintenance, and inspection; and (2) Vegetation Management if required.

- Operate system in a manner that will minimize potential wildfire risks.
- Take all reasonable and practicable actions to minimize the risk of a catastrophic wildfire caused by IPU electric facilities.
- Coordinate with federal, state, and local fire management personnel as necessary or appropriate to implement IPU Wildfire Mitigation Plan.
- Immediately report fires, pursuant to existing IPU practices and the requirements of this Wildfire Mitigation Plan.

- Take corrective action when the staff witnesses or is notified that fire protection measures have not been properly installed or maintained.
- Comply with relevant federal, state, and industry standard requirements, including the industry standards established by the CPUC.

D. WILDFIRE RESPONSE AND RECOVERY

Los Angeles County Fire Department (“LACFD”) is the lead agency in cooperation with City and IPU for implementation of the Wildfire Prevention and Response Program. LACFD will direct IPU regarding public safety priorities. IPU Staff’s role in response to wildfire and during recovery process is set forth in Section E (“SEMS”). As mentioned above under the roles and responsibilities, IPU will coordinate with LAC Sheriff’s Department for situational awareness and other public safety issues. The IPU will also coordinate with Los Angeles County Department of Public Works (“LACDPW”) and other local water and wastewater companies to ensure power to these critical facilities.

E. STANDARDIZED EMERGENCY MANAGEMENT SYSTEM (SEMS)

IPU is located within the County of Los Angeles and will assist in the functioning of Emergency Operations Center if required depending on the situation and the request from the lead agency. As a local governmental agency, IPU has planning, communication, and coordination obligations pursuant to the California Office of Emergency Services’ Standardized Emergency Management System (“SEMS”) Regulations, adopted in accordance with Government Code section 8607. The SEMS Regulations specify roles, responsibilities, and structures of communications at five different levels: field response, local government, operational area, regional, and state. Pursuant to this structure, IPU will coordinate and communicate with the relevant safety agencies as well as other relevant local and state agencies as required. The IPU via LACFD and LACDPW works closely with Los Angeles County to coordinate emergency operations.

Los Angeles County coordinates with Federal, State, and local agencies to prepare, respond and recover from emergencies and natural disasters.

- Los Angeles County (“LAC”) also coordinates and maintains the county Emergency Operations Center (“EOC”). The EOC can be used during a major incident such as a wildfire to carry out the principles of emergency preparedness and emergency management between multiple agencies.
- LAC has a direct link to the California Governor’s Office of Emergency Services during disasters or any other critical incident. In the event of a major incident LAC can work with CAL OES to obtain a Presidential proclamation.

- LAC works closely with other local agencies and acts as a point of contact for local agencies to California Governor’s Office of Emergency Services.

LAC has identified wildland fires as one of the specific hazards that impact the county. LAC’s Board of Supervisors has approved emergency and disaster plans and annexes (<https://ceo.lacounty.gov/emergencydisaster-plans-and-annexes/>), including the Operational Area Emergency Response Plan (OAERP) to establish the coordinated emergency management system for prevention, protection, response, recovery and mitigation activities within the Operational Area. LAC’s OAERP conforms to SEMS.

Under the SEMS structure, a significant amount of preparation is done through advanced planning at the county level, including the coordination of public, private, and nonprofit organizations. LAC’s Board of Supervisors established the LAC Operational Area on July 5, 1995. LAC serves as the lead agency of this Operational Area and is guided by the Los Angeles County Disaster Council that is made up of representatives of local agencies. The Operational Area includes local and regional organizations that bring relevant expertise to the wildfire prevention and recovery planning process. It is divided into eight Disaster Management Areas to coordinate management, planning, training, and preparedness actions. The IPU is located in Disaster Management Area D. Area D participants and partners include the cities of Arcadia, Azusa, Baldwin Park, Bradbury, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Irwindale, La Puente, La Verne, Monrovia, Pomona, Rosemead, San Dimas, Sierra Madre, South El Monte, Temple City, Walnut, and West Covina; County of Los Angeles Sheriff’s Department; Hacienda La Puente Unified School District; the American Red Cross; and California State Polytechnic University, Pomona.

Pursuant to the SEMS structure, IPU will participate if required in annual training exercises.

IV. WILDFIRE RISKS AND DRIVERS ASSOCIATED WITH DESIGN, CONSTRUCTION, OPERATION, AND MAINTENANCE

A. BACKGROUND

Like most areas of Southern California, the City and IPU service territory typically experiences cool, wet winters and hot dry summers, creating extreme fire conditions from May through October, especially during the Santa Ana wind conditions which may happen outside the hot months. Daily temperatures during the fire season from June to October are usually above 90 degrees Fahrenheit, and humidity can vary from day to day, with some days experiencing humidity in the single digits. The IPU service area is mostly an

urban area without many trees or any wooded/brush area except for the Industry Business Center (“IBC”). The IBC is an area of approximately 600 acres that is currently under development. The area currently consists of vacant land with some dry brush or grass on the project site. There are no IPU overhead lines in that area or its vicinity with no significant risk to initiate any wildfire. The City is working to keep the grass areas of the IBC green, and reduce potential for dry brush. All existing electrical lines at the IBC are underground and also will be underground in future.

As mentioned earlier, the potential and risk of wildfire originated from the electrical lines owned, operated, and maintained by IPU is low, because the IPU’s entire 12,000- volt electric distribution system is located underground in conduit and vaults, and the IPU has no overhead distribution lines. Historically, underground lines have not been associated with catastrophic wildfires.

B. ENTERPRISE SYSTEM, OUTAGES AND OPERATIONAL/SAFETY RISK

As previously mentioned, IPU is a very small publicly owned utility, and below the minimum requirements of National Electric Reliability Council (“NERC”) and Western System Coordinating Council (WSCC) of 25 megawatts, to maintain records and report power outages with annual reliability matrixes. IPU does not own, operate, or maintain any transmission lines and all distribution lines are underground and future distribution lines will be underground. Based on the foregoing, the IPU has determined that its electrical lines and equipment do not pose a significant risk of catastrophic wildfire. Despite this low risk, IPU takes appropriate actions to help the region prevent and respond to the increasing risk of devastating wildfires. Some of the actions include:

1. IPU will purchase and use better quality equipment such as underground distribution cable with Ethylene Propylene (EPR) Insulation instead of Crosslinked Polyethylene (XLP) which is less prone to premature cable failure and potential for arcing.
2. More frequent detailed distribution system inspection cycles than required by CPCU GO 165. For example, CPCU GO 165 requires detailed distribution inspections on a five-year cycle but the IPU will perform that inspection on a three-year cycle. That inspection will include a visual and detailed inspection of the current condition and to confirm that all the underground structures, pad mount switches and pad mount transformers are functioning normal and catch anything which isn’t functioning as designed and take action to correct it.

C. PARTICULAR RISKS AND RISK DRIVERS ASSOCIATED WITH TOPOGRAPHIC AND CLIMATOLOGICAL RISK FACTORS

Within IPU's service territory and the surrounding areas, the primary risk drivers for wildfire are the following:

- Extended drought - Southern California just went through extended drought condition starting from December 27, 2011 to March 5, 2019 and lasted 376 weeks. It can happen again in future.
- Vegetation type - The IPU service territory is mostly urban with very few trees on the city streets. The IBC Development that is approximately 600 acres has vacant land with dry grass and other brush on site and adjacent to it. Industry Hills near Pacific Palms Hotel and Expo areas have lot of trees and dry brush.
- Vegetation Density - Low to moderate except in the Industry Hills and Expo area
- Weather - Summer is usually hot dry with daily temperatures usually above 90-degree Fahrenheit from June to October months. Winter is cool and wet and most of 14.68 average annual rain between months of November and March. Average annual temperature is 77 degrees Fahrenheit. Humidity can vary from day to day and can be in single digits in hot summer months from May to October and creating extreme fire conditions in combination with Santa Ana Winds.
- High winds - Santa Ana Wind conditions normally happen during summer months from May to October and can also happen outside the hot months. Santa Ana Winds are strong gusty winds with speed which can range from 30 miles per hour to as much as 90 miles per hour.
- Terrain - there is more significant terrain variation at the IBC and at the Pacific Palms Resort area.
- Changing Weather Patterns (Climate Change) - It is believed that the global warming has impact on the climate and increasing potential of more wildfires.
- Communities at Risk - Besides the City of industry, other adjacent cities of Diamond Bar, Walnut and La Puente may be impacted but the chances are slim.
- Fire History- There is no known history of wildfires in the area served by IPU.

V. WILDFIRE PREVENTATIVE STRATEGIES AND PROGRAMS

A. CPUC HIGH FIRE THREAT DISTRICT

IPU did not directly participate in the development of the CPUC's Fire-Threat Map, which designates a High-Fire Threat District.

IPU has reviewed the proposed boundaries of the High Fire Threat District and confirmed that, based on local conditions and historical fire data, all of IPU's service territory was properly excluded, and has no tier 2 or tier 3 fire threat area as of June 2021. IPU does not need to incorporate the High Fire Threat District into its construction, inspection, maintenance, repair, and clearance practices, until CPUC Fire Threat Map is revised to show any area served by IPU falls with it, but IPU will continue to follow those as an extra precautionary measure where applicable.

B. DESIGN AND CONSTRUCTION STANDARDS

IPU's electric facilities are designed and constructed to meet or exceed the relevant federal, state, or industry standard. IPU follows CPUC General Orders (GO) 128 as a key industry standard for design and construction of underground electrical facilities. Additionally, IPU monitors and follows, as appropriate, the National Electric Safety Code.

C. ENHANCED INSPECTIONS

Inspections and follow up with action items to perform required maintenance plays an important role in wildfire prevention. Currently, the IPU patrols its distribution system regularly and plans to increase the detailed inspections frequency to exceed GO165 requirements. IPU is considering detailed inspection on a three-year cycle as compared to the five years required by GO165.

Some of inspection activities may include more detailed inspections of pad mounted equipment such as switch blades, rusting and any other abnormal thing which can cause short-circuits and failures with an initiating arc. Similarly, for underground structures we will perform infrared tests on the cable terminators or 600 amp and 200-amp elbows if required.

If IPU staff discovers a facility in need of repair that is owned by an entity other than IPU, the IPU may issue a notice to repair to the facility owner and work to ensure that necessary repairs are completed promptly.

D. DEENERGIZATION

IPU has the authority to preemptively shut off power due to fire-threat conditions, however, this option is not likely to be used and will only be used in extraordinary circumstances. Due to the minimal risk of IPU's electrical supply facilities causing a power-line ignited wildfire, IPU is not adopting specific protocols for de-energizing any portions of its electric distribution system. IPU will re-evaluate this determination in future updates to this Wildfire Mitigation Plan.

E. SITUATIONAL AWARENESS

Presently IPU is considering installing smart electrical meters with automated metering infrastructure ("AMI") to track individual customer power outages along with the outage notification system as part of the Meter Data Management ("MDM") system. IPU's plan to upgrade to AMI and MDM would help better provide situational awareness of the condition of the electrical distribution system at all times.

IPU staff monitors weather reports from the local radio and television stations and is alert during the Santa Ana Winds and other high fire threat conditions and will attempt to not schedule any field work to be performed as a precautionary measure unless it is absolutely necessary.

F. OPERATIONAL PRACTICES

IPU will operate the electrical distribution system in a manner that will minimize potential wildfire risks including taking all reasonable and practical actions to minimize the risk of a catastrophic wildfire caused by the IPU's electrical facilities. As recommended by the third-party evaluator, IPU will hire a consultant to perform a relay protection coordination study for each of the six 12,000- Volt distribution feeders originating from the Waddingham Substation. This study will include protection coordination of substation feeder relays with the downstream protective devices of fuses in the pad mount switches and pad mounted transformers and fine-tune the relay settings to make sure that any electrical fault on these distribution lines is cleared as quickly as possible and any faulted part of circuit isolated to reduce the potential risk of any arc. Staff will take corrective actions for deficiencies when the staff witnesses or is notified of improperly installed or maintained fire protection measures. In general, during high wildfires, threats period (red flag warnings) the IPU will perform only essential work.

G. PUBLIC SAFETY AND NOTIFICATION

The IPU will do the following to communicate with the community during high fire threat periods and disaster.

- Coordinate with LACFD and LAC Sheriff's Department
- Develop communication protocol for notification to community and social media

VI. RESTORATION OF SERVICE

In the event of a wildfire or other emergency event, IPU will coordinate the activities necessary to restore electrical service to all parties as required. The IPU will coordinate with SCE on the restoration of the three interconnection points of Waddingham 66,000 volt to 12,000-Volt Substation, Anaheim- Puente 12,000 volt and Pacific Palms Hotel 12,000-volt interconnections. Restoration of service in each specific incident may be different but the steps taken will be similar to begin the restoration process. The steps are as follows:

Assessment.

The IPU will patrol each line segment to determine the extent of damage that has occurred. The patrol will include the assessment of access to the equipment, clean/up and debris removal personal protective equipment (PPE) requirements of the crews. The IPU will work with the LACFD and LACSD as required to make sure area is deemed safe to restore electrical power.

Planning.

After the preliminary and initial assessment, IPU Staff will discuss the Plan and needed work to restore power. Any individual customer that has damage to its electrical service panel or transformer will be isolated from the pad mounted switch. Teams will focus on prioritizing the restoration efforts to most critical infrastructure needs first, such as critical water and communication facilities, Pacific Palms Hotel and Waddingham Substation etc.

Mobilize and Action.

Based on the complexity of restoration efforts, the IPU will coordinate the crews and material needs as required. IPU has some contracts with material vendors for material needs but in the event of widespread catastrophic damage in the region it may become a challenge to acquire the needed material.

Restoration.

Rebuild effort will start as soon as the areas become safe to access. Initial effort will be to restore the interconnections with SCE, first starting from the Waddingham Substation and then all 12,000- volt distribution circuits. Depending upon case by case, rebuilding or any demolition required may be done simultaneously or rebuilding first and demolitions later if safe to do so. After all distribution circuits are restored, all individual customers will be restored to power except those which have sustained damage and isolated from the circuit. After the repair or replacement of transformer and /or electrical service panel and inspection certification if needed, the remaining customers will be restored.

VII. EVALUATING OF THE PLAN

A. METRICS AND ASSUMPTIONS FOR MEASURING PLAN PERFORMANCE

IPU tracks two metrics to measure the performance of this Wildfire Mitigation Plan: (1) number of fire ignitions; and (2) wires down within the service territory.

METRIC 1: FIRE IGNITIONS

For purposes of this metric, a fire ignition is defined as follows:

- IPU facility was associated with the fire;
- The fire was self-propagating and of a material other than electrical and/or communication facilities;
- The resulting fire traveled greater than one linear meter from the ignition point; and
- IPU has knowledge that the fire occurred.

For this metric, IPU will provide the number of fires that occurred that were less than 10 acres in size. Any fires greater than 10 acres will be individually described.

METRIC 2: WIRES DOWN

The second metric is the number of distribution and transmission wires downed within IPU service territory. Since IPU has no overhead transmission and distribution lines and this metric is not applicable to IPU.

IPU will not normalize this metric by excluding unusual events, such as severe storms. Instead, IPU will supplement this metric with a qualitative description of any such unusual events.

B. METRICS FOR 2021 PLAN

The metrics for calendar years 2019 and 2020 are the following:

| Year | Fire Ignitions | Wires Down Events |
|------|----------------|-------------------|
| 2019 | 0 | 0 |
| 2020 | 0 | 0 |

C. IMPACT OF METRICS ON PLAN

In the initial years, IPU anticipates that there will be relatively limited data gathered through these metrics. However, as the data collection history becomes more robust, IPU will be able to identify areas of its operations and service territory that are disproportionately impacted. IPU will then evaluate potential improvements to the Plan.

D. MONITORING AND AUDITING THE PLAN

This Wildfire Mitigation Plan will be presented to IPUC on an annual basis. Additionally, a qualified independent evaluator will review the Plan and provide any suggested improvements at least once every three years. If required, third party evaluator will present a report on this Plan to the IPUC.

E. IDENTIFYING AND CORRECTING DEFICIENCIES IN THE PLAN

IPU Staff, inspectors and contractors are encouraged to identify Wildfire Mitigation Plan deficiencies to the IPU – Operations Manager as soon as possible when observed. The Operations Manager will evaluate each reported deficiency and if it is determined to be a valid deficiency, it will be entered into a log with the following information:

- Date the deficiency was discovered
- Description of deficiency
- Source identifying the deficiency
- Priority based on the severity
- Corrective action required and with deadline to accomplish
- Assigned staff for corrective action
- Date corrective action completed

F. MONITORING THE EFFECTIVENESS OF INSPECTIONS

As previously mentioned, IPU will endeavor to exceed the GO165 requirement to conduct a detailed inspection on a five-year cycle, and instead, perform that inspection on a three-

or four-year cycle. Also, IPU is currently performing GO165 inspections and making a note of the observations and will review those after the inspection is completed. Anything found that need improvement or appear hazardous will be documented and will be given a priority with a work order and that work order will be tracked to the closure.

EXHIBIT B

IPU Wildfire Mitigation Plan 2021 Informational Response, dated July 8, 2021

[Attached]

**INDUSTRY PUBLIC UTILITIES
WILDFIRE MITIGATION PLAN
2021 INFORMATIONAL RESPONSE**

**RESPONSES TO WILDFIRE SAFETY ADVISORY
BOARD'S 2021 GUIDANCE ADVISORY OPINION**

July 8, 2021

I. PURPOSE OF THIS 2021 INFORMATIONAL RESPONSE

The California Wildfire Safety Advisory Board (WSAB) issued the *Guidance Advisory Opinion for the 2021 Wildfire Mitigation Plans of Electric Publicly Owned Utilities and Cooperatives* (“2021 WSAB Guidance Advisory Opinion”) on December 15, 2020. Industry Public Utilities (IPU) provides this document to the WSAB in order to respond to each of the recommendations included in the 2021 WSAB Guidance Advisory Opinion. IPU will provide a narrative response and/or a cross reference to the location in IPU’s Wildfire Mitigation Plan (WMP) where the topic is addressed. Where the recommendation is not applicable to IPU, the response will provide a brief description supporting this conclusion.

II. CONTEXT SETTING INFORMATION

WSAB requested that POUs provide an informational table to assist the Staff and Board member in understanding the unique characteristics of each POU.

Table 1: Context-Setting Information

| Utility Name | Industry Public Utilities | |
|---|--|--|
| Service Territory Size | 2 square miles | |
| Owned Assets | <input type="checkbox"/> Transmission <input checked="" type="checkbox"/> Distribution <input type="checkbox"/> Generation | |
| Number of Customers Served | 114 customer accounts | |
| Population Within Service Territory | 15 residential customer accounts | |
| Customer Class Makeup | <i>Number of Accounts</i> | <i>Share of Total Load (MWh)</i> |
| | 15 Residential; 30 Small/Medium Business; 69 Commercial/Industrial | 0.4 % Residential; 1.5 % Small/Medium Business; 98.1 % Commercial/Industrial |
| Service Territory Location/Topography¹ | 100 % Urban | |
| Service Territory Wildland Urban Interface² (based on total area) | See attached map. | |

¹ This data shall be based on the California Department of Forestry and Fire Protection, California Multi-Source Vegetation Layer Map, depicting WHR13 Types (Wildlife Habitat Relationship classes grouped into 13 major land cover types) available at: <https://www.arcgis.com/home/item.html?id=b7ec5d68d8114b1fb2bfbf4665989eb3>.

² This data shall be based on the definitions and maps maintained by the United States Department of Agriculture, as most recently assembled in *The 2010 Wildland-Urban Interface of the Conterminous United States*, available at https://www.fs.fed.us/nrs/pubs/rmap/rmap_nrs8.pdf.

| | |
|---|---|
| Percent of Service Territory in CPUC High Fire Threat Districts (based on total area) | Includes maps not applicable Tier 2: [0]% Tier 3: [0]% |
| Prevailing Wind Directions & Speeds by Season | <input type="checkbox"/> Includes maps Santa Ana wind conditions usually happen during summer months from May to October but can happen outside summer months. Santa Ana winds are strong gusty winds with speeds which can range from 30 miles per hour as much as 90 miles per hour. |
| Miles of Owned Lines Underground and/or Overhead | Overhead Dist.: 0 miles Overhead Trans.: 0 miles Underground Dist.: 15 circuit miles Underground Trans.: 0 miles |
| | Explanatory Note 1 - Methodology for Measuring "Miles": 15 circuit miles with multiple circuits in the same duct bank. |
| | Explanatory Note 2 – Description of Unique Ownership Circumstances: [None] |
| | Explanatory Note 3 – Additional Relevant Context: all IPU's electric infrastructure is within the IPU service territory |
| Percent of Owned Lines in CPUC High Fire Threat Districts | <i>Overhead Distribution Lines as % of Total Distribution System (Inside and Outside Service Territory)</i> |
| | Tier 2: 0 % Tier 3: 0 % |
| | <i>Overhead Transmission Lines as % of Total Transmission System (Inside and Outside Service Territory)</i> |
| | Tier 2: 0 % Tier 3: 0 % |
| | |
| Customers have ever lost service due to an IOU PSPS event? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Customers have ever been notified of a potential loss of service to due to a forecasted IOU PSPS event? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Has developed protocols to pre-emptively shut off electricity in response to elevated wildfire risks? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No. All IPU distribution circuits are underground with minimal opportunity for any wildfire originating from IPU distribution system. IPU has three interconnections with Southern California Edison (SCE). One interconnection connects to SCE's 66,000-Volts overhead sub transmission lines. The other two connect to SCE's 12,000 Volts overhead distribution lines. |
| Has previously pre-emptively shut off electricity in response to elevated wildfire risk? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, then provide the following data for calendar year 2020: |

III. CROSS REFERENCE TO STATUTORY REQUIREMENTS

WSAB requested that POUs provide a clear roadmap as to where each statutory requirement is addressed within the POU WMP.

Table 2: Cross References to Statutory Requirements

| Requirement | Statutory Language | Location in WMP |
|----------------------------------|---|------------------------------|
| Persons Responsible | PUC § 8387(b)(2)(A): An accounting of the responsibilities of persons responsible for executing the plan. | Section III-B Page 4 |
| Objectives of the Plan | PUC § 8387(b)(2)(B): The objectives of the wildfire mitigation plan. | Section II Page: 2 |
| Preventive Strategies | PUC § 8387(b)(2)(C): A description of the preventive strategies and programs to be adopted by the local publicly owned electric utility or electrical cooperative to minimize the risk of its electrical lines and equipment causing catastrophic wildfires, including consideration of dynamic climate change risks. | Section V Pages 8 to 11 |
| Evaluation Metrics | PUC § 8387(b)(2)(D): A description of the metrics the local publicly owned electric utility or electrical cooperative plans to use to evaluate the wildfire mitigation plan’s performance and the assumptions that underlie the use of those metrics. | Section VII-A Page 12 |
| Impact of Metrics | PUC § 8387(b)(2)(E): A discussion of how the application of previously identified metrics to previous wildfire mitigation plan performances has informed the wildfire mitigation plan. | Section VII-B Pages 12-13 |
| Deenergization Protocols | PUC § 8387(b)(2)(F): Protocols for disabling reclosers and deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communication infrastructure. | Section V-D,F Page 9-10 |
| Customer Notification Procedures | PUC § 8387(b)(2)(G): Appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of electrical lines. The procedures shall consider the need to notify, as a priority, critical first responders, health care facilities, and operators of telecommunications infrastructure. | Section V-G] Page 10-11 |
| Vegetation Management | PUC § 8387(b)(2)(H): Plans for vegetation management. | Section IV-C Page 8 |
| Inspections | PUC § 8387(b)(2)(I): Plans for inspections of the local publicly owned electric utility’s or electrical cooperative’s electrical infrastructure. | Section V-C Page 9 |

| | | |
|--|---|---|
| <p>Prioritization of Wildfire Risks</p> | <p>PUC § 8387(b)(2)(J): A list that identifies, describes, and prioritizes all wildfire risks, and drivers for those risks, throughout the local publicly owned electric utility’s or electrical cooperative’s service territory. The list shall include, but not be limited to, both of the following:</p> <p>(i) Risks and risk drivers associated with design, construction, operation, and maintenance of the local publicly owned electric utility’s or electrical cooperative’s equipment and facilities.</p> <p>(ii) Particular risks and risk drivers associated with topographic and climatological risk factors throughout the different parts of the local publicly owned electric utility’s or electrical cooperative’s service territory.</p> | <p>Section IV-B&C Pages 7-8</p> |
| <p>CPUC Fire Threat Map Adjustments</p> | <p>PUC § 8387(b)(2)(K): Identification of any geographic area in the local publicly owned electric utility’s or electrical cooperative’s service territory that is a higher wildfire threat than is identified in a commission fire threat map, and identification of where the commission should expand a high fire threat district based on new information or changes to the environment.</p> | <p>Section 1-B Page 1 Section V-A Pages 8-9</p> |
| <p>Enterprisewide Risks</p> | <p>PUC § 8387(b)(2)(L): A methodology for identifying and presenting enterprisewide safety risk and wildfire-related risk.</p> | <p>Section V-F Page 10</p> |
| <p>Restoration of Service</p> | <p>PUC § 8387(b)(2)(M): A statement of how the local publicly owned electric utility or electrical cooperative will restore service after a wildfire.</p> | <p>Section VI Pages 11-12</p> |
| <p>Monitor and Audit</p> | <p>PUC § 8387(b)(2)(N): A description of the processes and procedures the local publicly owned electric utility or electrical cooperative shall use to do all of the following</p> <p>(i) Monitor and audit the implementation of the wildfire mitigation plan.</p> <p>(ii) Identify any deficiencies in the wildfire mitigation plan or its implementation, and correct those deficiencies.</p> <p>(iii) Monitor and audit the effectiveness of electrical line and equipment inspections, including inspections performed by contractors, that are carried out under the plan, other applicable statutes, or commission rules.</p> | <p>Section VII-C & VII-D Page 13</p> |

| | | |
|---|---|--|
| <p style="text-align: center;">Qualified Independent Evaluator</p> | <p>PUC § 8387(c): The local publicly owned electric utility or electrical cooperative shall contract with a qualified independent evaluator with experience in assessing the safe operation of electrical infrastructure to review and assess the comprehensiveness of its wildfire mitigation plan. The independent evaluator shall issue a report that shall be made available on the Internet Web site of the local publicly owned electric utility or electrical cooperative, and shall present the report at a public meeting of the local publicly owned electric utility's or electrical cooperative's governing board.</p> | <p style="text-align: center;">Section [VIII] Pages [13 to 14]</p> |
|---|---|--|

IV. WSAB GUIDANCE ADVISORY OPINION RECOMMENDATIONS

The WSAB Guidance Advisory Opinion identifies 14 specific recommendations that POUs are requested to address in their 2021 WMPs. As specified in Public Utilities Code § 8387(b)(1), each POU is required to perform a comprehensive revision to the POU's WMP at least once every three years. Pursuant to this guidance, the POUs will be updating their WMPs based on the direction of their local governing boards within this 3-year cycle. Because the WSAB's recommendations have been provided after the initial WMP submission, the POUs will have varying capacities to fully address each recommendation in their 2021 WMP. This Section IV restates each of the WSAB recommendations and provides an opportunity for each POU to do one or more of the following: (1) provide a narrative response to the recommendation; (2) provide a cross reference to where in the POU's WMP this topic is addressed; (3) describe why the recommendation is not applicable to the POU; or (4) inform the WSAB of the POU's intent to address the recommendation at the point of the POU's next comprehensive revision, occurring in either the 2022 or 2023 WMP.

A. Plan Structure

WSAB Recommendation #1: Provide context-setting information about the POU and provide a simple guide to where the statutory requirements are addressed within the WMP.

POU Response: See Sections II and III above.

WSAB Recommendation #2: Provide a short description of the POU's public review and approval (if required) for the WMP. This description may also include a brief explanation of the funding mechanisms for wildfire mitigation efforts.

POU Response: The IPU WMP and the qualified independent evaluator's report was presented to the Industry Public Utilities Commission (IPUC) at the duly noticed regular public meeting on

December 12, 2019. The IPUC approved the WMP at that meeting. Funding for additional wildfire mitigation efforts will be addressed in the IPU annual budgeting process.

WSAB Recommendation #3: Identify where the POU has posted the most recent Independent Evaluator (IE) Report and if your POU plans to enhance future IE reports, please summarize in what ways.

POU Response: The WMP and the qualified independent evaluator’s report is available on the IPU website (www.cityofindustry.org/city-hall/departments/industry-public-utilities/electric).

WSAB Recommendation #4: Develop, in collaboration with POU industry associations, WMP guidelines for future WMPs, and understanding that it may take multiple cycles for POU to integrate these recommendations into the WMPs.

POU Response: This document is intended to include, as appropriate, responses to the recommendations in the WSAB’s Guidance Advisory Opinion for the POU’s 2021 WMP. This document also represents the combined effort of the POU industry associations to further the development of a template to respond to the WSAB’s Guidance Advisory Opinion in a future reporting WMP cycle.

B. Customer Impacts

WSAB Recommendation #5: Describe the potential impact investor-owned utilities (IOU) public safety power shutoff (PSPS) events could have on POU customers and how the POU manages these impacts. For POU that are also balancing authorities, describe the criteria for wildfire related de-energizations. Responses shall only provide aggregated information that does not provide customer-specific information or other potentially sensitive data.

IPU has three interconnections with Southern California Edison (SCE). IPU customers may be impacted by PSPS events ordered by SCE that impact one or all these three interconnections. The following provides responses to specific questions included in the WSAB’s 2021 WSAB Guidance Advisory Opinion:

-
- What is the relationship between the SCE and IPU POU during PSPS events?

SCE’s Dispatch Center and Grid Management staff would initiate direct communication with IPU and/or IPU’s contractor.

Does the IPU receive advance notification?

Yes, for planned outages, IPU’s contractor receives direct notification from SCE.

-
- Is IPU affected at the transmission or distribution level?
-

SCE's distribution facilities deliver power to IPU's three points of interconnection and a PSPS that impacts these SCE distribution facilities would impact IPU customers.

- Does the IPU have its own permanent or temporary generation, (or customer provision of same) allowing it to withstand an SCE PSPS?

Neither IPU nor its customers have on-site generation to provide power during an SCE PSPS.

- Does IPU deenergize their own lines when a wildfire threat looms, even if it is not labelled a PSPS?

In IPU's existence a potential wildfire that would require IPU to deenergize its distribution facilities has not occurred.

- In the above instance, what customer communication takes place?

IPU's contractor would notify customers for the need and duration to shutoff power.

- Is IPU a Balancing Authority Area?

No.

WSAB Recommendation #6: Describe the utility customer communication plans with respect to wildfires and PSPS, and in particular describe the methods, content and timing used to communicate with the most vulnerable customers, such as Access and Functional Needs (AFN) customers, medical baseline customers, non-English speakers, and those at risk of losing water or telecommunications service.

IPU serves 15 residential customers. None are currently AFN or medical baseline customers, and all speak English. IPU does not currently provide electric service to water or telecommunication providers.

C. The Grid

WSAB Recommendation #7: Provide details on each POU's system hardening and grid design programs, including: (1) the goals of the programs and the risk any particular program is designed to mitigate; (2) approach to PSPS mitigation and prevention; and (3) identify any resource shortages.

IPU does not currently provide electric service to essential facilities like hospitals, water or telecommunication providers, police or fire stations, or community resource centers. There are no plans to “harden” IPU electric system as it has little or no exposure to wildfire ignitions and the current practices are in place to provide adequate system reliability.

WSAB Recommendation #8: Describe annual visual patrols on potentially impacted circuits and the risks the POU is inspecting for. Describe whether and how system inspections lead to system improvements. Describe line patrols before, during, and/or after a critical fire weather event, such as a Red Flag Warning with strong winds, or following a fire that burned in areas where electric facilities are or could have been impacted.

IPU has no overhead lines to patrol and inspect after the Red Flag Warning with Strong winds. All underground lines inspection comply with G.O. 165.

WSAB Recommendation #9: Describe options considered by POU (including through the joint efforts of the POU associations) to identify previously unidentified risks that could lead to catastrophic wildfires.

The California Municipal Utilities Association (CMUA) Wildfire Preparedness, Response, and Recovery Working Group will meet again this fall. CMUA plans to invite a broad range of utility staff, state agency staff (including the WSAB), industry experts, and academics to participate in this discussion. The working group will discuss unidentified wildfire risk rivers and mitigation measures that could address these risks. CMUA will produce a publicly-available, post-meeting report that summarizes the group’s conclusions and recommendations. IPU staff will participate in CMUA’s meeting and will describe in a future WMP applicable changes it has implemented in response to the conclusions and recommendations of the working group.

D. Risk Assessment

WSAB Recommendation #10: Describe the particular wildfire risks associated with system design and construction such as topography and location near the HFTD areas of another utility’s service territory. Describe any G.O. 95 exempt assets and possible updates to G.O. 95 that could facilitate more resilient utility transmission and distribution assets.

As describe in Section I of IPU’s WMP, IPU’s service territory is not located near the HFTD another utility’s service territory.

E. SITUATIONAL AWARENESS TECHNOLOGY

WSAB Recommendation #11: Provide context-setting information about the prevailing wind directions and speeds, differentiated by season, along with average weather conditions by season. Describe how and why situational awareness technology is installed, and where on the system. Describe the decision-making process regarding the installation of situational awareness technology, including constraints such as budgets, availability of equipment, knowledge to effectively deploy, or qualified personnel to install and monitor effectively. Identify any other agencies, utilities, or fire professionals that the data from these devices is shared with.

As described in Section IV-C & E of IPU's WMP, the combination of hot and dry weather conditions in the summer months combined with strong Santa Ana Winds can create extreme fire conditions. IPU staff monitors weather reports and will delay any field work that is not critical during high fire threat conditions.

F. VEGETATION MANAGEMENT

WSAB Recommendation #12: Describe treatment plans for all types of vegetation associated with utility infrastructure, from the ground to the sky, which includes vegetation above and below electrical lines.

As described in Section IV-C of IPU's WMP, all IPU distribution circuits are underground which significantly reduces the need for vegetation management. IPU will expand its inspection to include the vegetation around existing pad-mounted equipment.



INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.6



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

To: President Moss and Members of the Commission

From: Troy Helling, Public Utilities Director *TH*

Staff: Elise Calvo, Treasurer *EC*

Date: June 24, 2021

Subject: Statement of Investment Policy

OVERVIEW

Section 53646 (a)(2) of the California Government Code, states that the Treasurer or chief fiscal officer of any other local agency may annually render to his/her legislative body and any oversight committee an investment policy, that the legislative body shall consider at a public meeting.

This Agenda Item includes the Statement of Investment Policy for the City of Industry dated July 8, 2021, for all future investments, pursuant to Section 53601 and Section 53635 of the California Government Code.

This investment Policy serves as the foundation of the IPUC's investment goals and priorities. This policy will be reviewed regularly or at least annually to assure that it continues to meet the IPUC's portfolio goals/priorities, with the intent to protect the assets of the Industry Public Utilities Commission. The existence of an approved investment policy demonstrates that the governing body is performing its fiduciary responsibilities, thereby, inspiring trust and confidence among the public that it serves.

RECOMMENDATION

It is my recommendation that the Commission approve the Investment Policy.

City of Industry

STATEMENT OF INVESTMENT POLICY

ELISE CALVO, CITY TREASURER

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

Effective July 9, 2020

(Supersedes All Previous Investment Policies)

1.0 Introduction. The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

2.0 Policy. It is the policy of the City of Industry to invest public funds not required for immediate day-to-day operations in safe, liquid and medium term investments. These investments shall yield an acceptable return while conforming to all California statutes and the City's Investment Policy.

3.0 Scope. It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the City and its component units including but not limited to, the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Utilities Commission, the Industry Public Facilities Authority and the Industry Property and Housing Management Authority.

3.1 Pooled Investments. Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Utilities Commission, the Industry Public Facilities Authority and the Industry Property and Housing Management Authority. The City's identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the applicable governing board, unless specifically exempted

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

3.2 Investments held separately. Investment of bond proceeds will be held separately when required by the bond indentures. Bond proceeds will be invested in accordance with the requirements stated in the bond indentures. This policy does not apply to deferred compensation plans.

4.0 Objectives. Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

4.1. Safety. Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

4.2 Liquidity. The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

4.3 Return on investment. Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

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5.0 Authorized investments. The City Treasurer may invest City funds in the following investments as specified in the California Government Code Section 53601, and certain investment types are further limited to only the following specified investments.

| | Investment Type | Maximum Remaining Maturity | Maximum Specified % of Portfolio | Minimum Quality Requirements | California Government Code Sections |
|----|--|----------------------------|---|------------------------------------|-------------------------------------|
| a. | Securities of the US Government, or its agencies Including GSE debt and US Treasury Obligations | 5 years | None | None | 53601(b)(f) and 53601.6 |
| b. | Negotiable certificates of deposits | 5 years | 30% | None | 53601(1) |
| c. | Non-negotiable certificates of deposits | 5 years | None | None | 53630 et seq. |
| d. | Bankers Acceptances | 180 days | 40% and no more than 30% of any one commercial bank | None | 53601(g) |
| e. | Commercial Paper | 270 days | 25% and no more than 10% of a single issuer | A-1 or higher rating from an NRSRO | 53601(h)(2)(C), 53635(a)(1) |
| f. | Local Agency Investment Fund (LAIF) | N/A | None | None | 16429.1 |
| g. | Collateralized Bank Deposits including passbook Savings account demand deposits | 5 years | None | None | 53630 et. Seq and 53601 (n) |
| h. | Repurchase agreements | 1 year | None | None | 53601(j) |
| i. | Los Angeles County Investment Pool (California Govt. Code Section 53684) | N/A | None | None | 53684 |
| j. | It is the City of Industry's policy no to utilize Reverse Repurchase Agreements or shares of beneficial interest issued by diversified management companies (mutual funds), unless that fund is composed entirely of securities of the U.S. Government, or its agencies, and the use of such funds shall be restricted to sweep accounts. (Reverse Repurchase Agreements shall be permitted if they are assets of the Local Agency Investment Fund). | | | | |
| k. | Local Agency Bonds | 5 years | None | None | 53601(a) |

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

| | | | | | |
|----|--|-----------------|------|---|----------|
| l. | Medium-term notes | 5 years or less | 30% | "A" rating category or its equivalent or better | 53601(k) |
| m. | Registered treasury notes or bonds of any of the other 49 states in addition to California * | 5 years | None | None | 53601(d) |
| n. | Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California* | 5 years | None | None | 53601(e) |
| o. | All securities authorized by the California Code, but which are not currently allowed by this investment policy, must first be approved by City Council at the time of purchase. | | | | |

* Includes but not limited to municipal bonds or other indebtedness issued by the City of Industry and/or its related Agencies.

Section 53601 of the California Government Code provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the City Council may grant express authority to make investments either specifically or as a part of an investment program approved by the City Council that exceeds the five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

5.1 Review of Investment Portfolio. The City’s investment portfolio must be in compliance with Section 5.0 of this Policy at the time an investment is purchased. However, due to various reasons the portfolio may not be in compliance. The reasons for noncompliance that may arise include, but are not limited to a downgrade in a security’s rating, redemptions or maturities resulting in exceeding maximum percentages of a particular investment type, fluctuation in total portfolio size, a change in the California Government Code, or subsequent update to the Investment Policy that renders investments made under previous policies noncompliant.

The Treasurer shall review the portfolios quarterly to identify any securities that are no longer in compliance. The Treasurer shall report any major and critical incidences of noncompliance to the City Manager and City Council and provide recommendations to address the noncompliant securities.

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6.0 Reporting. Sections 53607 and 53646 of the California Government Code allows the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. Therefore, it is the policy of the City that the City Treasurer or designee appointed by the City Treasurer file a report on the investments and transactions with the City Council as described in Sections 53607 and 53646 of the California Government Code.

7.0 Selection of financial institutions and brokers/dealers. Investments shall be purchased only through well established, financially sound institutions. The City Treasurer or City Manager or their designee may maintain a list of financial institutions and broker/dealers who are approved to provide the City with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this investment policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the City's Investment Policy, and a return cover letter which they must sign indicating that the investment policy has been read, understood and that their investment offers will comply with this policy.

All financial institutions and broker/dealers will take direction from the City Treasurer or City Manager or their designee as it relates to the investment strategy and investment policy of the City. Any instructions will be in the form of written instructions via email or other electronic transmissions.

Qualified financial institutions and broker/dealers must supply the City Treasurer or City Manager or their designee with the following:

7.1 Financial Institutions.

- Current audited financial statements
- Depository contracts, as appropriate
- A copy of the latest FDIC call report or the latest FHLBB report, as appropriate
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered

7.2 Broker/Dealers.

- Current audited financial statements
- Proof that brokerage firms are members in good standing of a national securities exchange, or
- A designation as a primary government dealer by the Federal Reserve Bank.

Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory net worth divided by total assets), and must have had positive net earnings for the last reporting period

The City is prohibited from selecting any broker/dealer that has made a campaign contribution within any consecutive 48-month period which exceeds the limitations

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contained Rule G-37 of the Municipal Securities Rulemaking Board.

8.0 Ethics and conflicts of interest. All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.