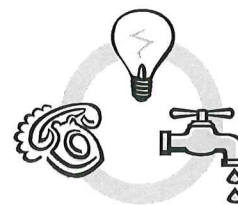


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY



SPECIAL MEETING AGENDA
JUNE 23, 2022, 9:00 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 AB 361 (Government Code Section 54953(e)), this meeting will 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: 717 023 540#. 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, June 21, 2022, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.**

- **Addressing the Commission:**

Public Comments (Agenda Items Only): During public comments, if you wish to address the Commission during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Commission concerning any item that has been described in the notice for the Special Meeting.

- **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 City Clerk of the City Council 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 Comment

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 23, 2022

RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate IPUC officials to pay the bills.

5.2 CONSIDERATION OF RESOLUTION NO. IPUC 2022-10 - A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION ("IPUC") ADOPTING THE FY 2022-23 IPUC BUDGET

RECOMMENDED ACTION: Adopt Resolution No. IPUC 2022-10.

5.3 Consideration of the Statement of Investment Policy

RECOMMENDED ACTION: Approve the Investment Policy.

5.4 Consideration of a Professional Services Agreement with IPKeys Power Partners, Inc., for the implementation of Meter Data Management system for the Automatic Meter Reading project, in an amount not to exceed \$168,267.00 (MP 02-05 #16)

RECOMMENDED ACTION: Rescind prior approval of the Agreement and approve the revised Professional Service Agreement.

6. **EXECUTIVE DIRECTOR REPORTS**

7. **AB 1234 REPORTS**

8. **COMMISSIONER COMMUNICATIONS**

9. Adjournment. Next regular meeting: Thursday, July 14, 2022, 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 23, 2022

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
161	IPUC - ELECTRIC	252,343.36
TOTAL ALL FUNDS		252,343.36

<u>BANK</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
WFBK	IPUC ELECTRIC WELLS FARGO CHK	252,343.36

APPROVED PER CITY MANAGER

**Industry Public Utilities Commission
Wells Fargo Electric - Voided Check
June 23, 2022**

Check	Date		Payee Name	Check Amount
IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK				
10987	04/14/2022		NEXTERA ENERGY MARKETING, LLC	(\$137,752.20)
			VOIDED - CK WAS NEVER RECEIVED	
	Invoice	Date	Description	Amount
	706114	04/04/2022	WHOLESALE USE - MAR 2022	(\$137,752.20)

Checks	Status	Count	Transaction Amount
	Total	1	(\$137,752.20)

Industry Public Utilities Commission
Wells Fargo - Electric
June 23, 2022

Check	Date			Payee Name	Check Amount
IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK					
11021	06/08/2022			CALPINE ENERGY SOLUTIONS, LLC	\$120,161.27
	Invoice	Date	Description	Amount	
	221460016396726	05/26/2022	WHOLESALE USE - APRIL 2022	\$120,161.27	
11022	06/08/2022			FRONTIER	\$544.62
	Invoice	Date	Description	Amount	
	2022-00002110	06/01/2022	06/01-06/30/22 SVC - GS 21700 VALLEY BLVD	\$60.47	
	2022-00002111	06/01/2022	06/01-06/30/22 SVC - GS 21650 VALLEY BLVD	\$56.65	
	2022-00002112	05/28/2022	05/28-06/27/22 SVC - EM 21912 GARCIA LN, WALNUT	\$78.20	
	2022-00002113	05/28/2022	05/28-06/27/22 SVC - EM 21700 BAKER PKWY BLDG 23	\$56.65	
	2022-00002114	05/28/2022	05/28-06/27/22 SVC - EM 179 S GRAND AVE	\$40.68	
	2022-00002115	05/25/2022	05/25-06/24/22 SVC - EM 21760 GARCIA LN	\$78.20	
	2022-00002116	05/25/2022	05/25-06/24/22 SVC - EM 21535 BAKER PKWY BLDG 20	\$56.65	
	2022-00002117	05/22/2022	05/22-06/21/22 SVC - EM 21733 BAKER PKWY BLDG 21	\$56.65	
	2022-00002118	05/22/2022	05/22-06/21/22 SVC - GS 21858 VALLEY BLVD	\$60.47	
11023	06/08/2022			NEXTERA ENERGY MARKETING, LLC	\$93,297.60
	Invoice	Date	Description	Amount	
	719044	06/02/2022	WHOLESALE USE - MAY 2022	\$93,297.60	
11024	06/08/2022			SOUTHERN CALIFORNIA EDISON	\$16,202.37
	Invoice	Date	Description	Amount	
	2022-00002107	06/01/2022	05/01-05/31/22 SVC - 208 S WADDINGHAM WAY	\$12,980.91	
	2022-00002108	06/01/2022	05/01-05/31/22 SVC - 208 S WADDINGHAM WAY	\$2,975.37	
	2022-00002109	06/01/2022	05/01-05/31/22 SVC - VARIOUS SITES	\$246.09	
11025	06/08/2022			TPX COMMUNICATIONS	\$877.26

**Industry Public Utilities Commission
Wells Fargo - Electric
June 23, 2022**

Check	Date		Payee Name	Check Amount
IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK				
	Invoice	Date	Description	Amount
	157116064-0	05/23/2022	INTERNET SVC - SUBSTATION	\$877.26
11026	06/08/2022		CALIFORNIA DEPT OF TAX AND FEE A	\$14.14
	Invoice	Date	Description	Amount
	L0015296842	06/02/2022	ENERGY SURCHARGE TAX JAN-MAR 2022 - LATE FEE	\$14.14
11027	06/15/2022		FRONTIER	\$1,441.37
	Invoice	Date	Description	Amount
	2022-00002128	06/01/2022	06/01-06/30/22 SVC - VARIOUS GENERATOR SITES	\$1,441.37
11028	06/15/2022		NEXTERA ENERGY MARKETING, LLC	\$137,752.20
	Invoice	Date	Description	Amount
	706114	04/04/2022	WHOLESALE USE - MAR 2022	\$137,752.20
11029	06/23/2022		ASTRUM UTILITY SERVICES, LLC	\$15,800.00
	Invoice	Date	Description	Amount
	052201	05/31/2022	CONSULTING FOR IPUC - MAY 2022	\$15,800.00
11030	06/23/2022		B2 PRINT, LLC	\$414.49
	Invoice	Date	Description	Amount
	0011415-IPUC	05/26/2022	IPUC CHECKS	\$414.49
11031	06/23/2022		BRAUN BLAISING SMITH WYNNE, P.C.	\$160.00
	Invoice	Date	Description	Amount
	20454	05/27/2022	LEGAL SVC FOR IPUC	\$160.00

**Industry Public Utilities Commission
Wells Fargo - Electric
June 23, 2022**

Check	Date			Payee Name	Check Amount
IPUCELEC.WF.CHK - IPUC Electric Wells Fargo CHK					
11032	06/23/2022			COUNTY OF LA - DEPT OF AGRICULTL	\$334.04
	Invoice	Date	Description	Amount	
	221754A	05/25/2022	PEST CONTROL - WADDINGHAM POWER PLANT	\$334.04	
11033	06/23/2022			ENCO UTILITY SERVICES	\$3,040.00
	Invoice	Date	Description	Amount	
	IPU-2022-44713	06/01/2022	CUSTOMER ACCT SVC - MAY 2022	\$3,040.00	
11034	06/23/2022			UNDERGROUND SERVICE ALERT OF S	\$56.20
	Invoice	Date	Description	Amount	
	520220162	06/01/2022	DIG ALERTS	\$56.20	

Checks	Status	Count	Transaction Amount
	Total	14	\$390,095.56

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.2



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Board of Directors

FROM: Joshua Nelson, Executive Director *JN*

STAFF: Yamini Pathak, Director of Finance *Y*
Dean Yamagata, Frazer, LLP – Financial Consultant

DATE: June 23, 2022

SUBJECT: Consideration of Resolution No. 2022-10 - A Resolution of the Industry Public Utilities Commission (“IPUC”) Adopting the FY 2022-23 IPUC Budget

Budget Recap

Below is a summary of the revenues and expenses for the Industry Public Utilities (“IPU”).

CITY OF INDUSTRY
BUDGET COMPARISON TO PRIOR YEAR
PROPOSED BUDGET 2022-2023

	PROPOSED REVENUES AND TRANSFERS			PROPOSED BUDGETED EXPENDITURES AND TRANSFERS		
	2022-2023	2021-2022	% - CHANGE	2022-2023	2021-2022	% - CHANGE
161 IPUC ELECTRICITY	4,603,000	4,820,000	-5%	5,214,400	4,390,600	19%
560 IPUC - RECLAIMED WATER	911,000	1,347,000	-32%	415,000	458,800	-10%
561 IPUC - PORTABLE WATER	2,438,000	1,918,500	27%	2,429,600	2,351,400	3%
TOTAL ENTERPRISE FUNDS	\$ 7,952,000	\$ 8,085,500	-2%	\$ 8,059,000	\$ 7,200,800	12%

Staff has budgeted total revenues for IPU – Electric in the amount of \$4,603,000, and are anticipating \$5,214,400 of expenditures, which represents a \$611,400 decrease in fund balance for FY 2022-2023. IPU Electricity generates revenues from electricity sales and incurs expenditures mainly on purchase of electricity, professional services, general engineering and utilities and energy rebates. The shortfall will be supported by existing funds.

In addition, Staff has budgeted total revenues for IPU – Reclaimed water in the amount of \$911,000, and are anticipating \$415,000 of expenditures, which represents a \$496,000 increase in fund balance for FY 2022-2023. IPU – Reclaimed water generates revenues from reclaimed water sales and incurs expenditures mainly on contract labor for professional and technical services, reclaimed water system and utilities.

Staff has budgeted total revenues for IPU – Potable Water in the amount of \$2,438,000, and are anticipating \$2,429,600 of expenditures, which represents a \$8,400 increase in fund balance for FY 2022-2023. IPU – Potable water generates revenues from water sales and services charges, and incurs expenditures mainly on salaries, benefits, professional services, assessments, operating and maintenance fees, repairs and utilities.

Additionally, the City of Industry has included in its proposed Capital Improvement budget, \$9.6 million, of which \$7.5 million and \$2.1 million will be spent on IPU – Electric, and IPU – Reclaimed water, respectively.

FISCAL IMPACT

The FY 2022-23 Proposed IPU Budget totals **\$8,059,000** in expenditures, and is supported by **\$7,952,000** in revenues, which will decrease the fund balance by **\$107,000**.

The FY 2022-23 Proposed Capital Budget for the IPU totals **\$9,645,000** and is supported by City funds, as included in the FY 2022-23 Adopted CIP Budget.

RECOMMENDATION

Staff recommends the Industry Public Utilities Commission adopt Resolution No. 2022-10 - A Resolution of the Industry Public Utilities Commission ("IPUC") Adopting the FY 2022-23 IPU Budget

Attachments:

1. Resolution No. 2022-10 - A Resolution of the Industry Public Utilities Commission ("IPUC") Adopting the FY 2022-23 IPUC Budget
2. Exhibit A – FY 2022-23 Proposed IPUC Budget
3. Exhibit B – FY 2022-23 Proposed IPUC Capital Project List

RESOLUTION NO. IPUC 2022-10

**A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION
ADOPTING THE FY 2022-23 INDUSTRY PUBLIC UTILITIES BUDGET**

WHEREAS, on June 23, 2022, the Industry Public Utilities Commission (“IPUC”) received a presentation on the FY 2022-23 (“FY 2023”) proposed budget for the Industry Public Utilities (“IPU”); and

WHEREAS, the purpose of the presentation was to give the IPUC an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to Staff; and

WHEREAS, it is necessary for the IPUC Board to adopt the IPU’s FY 2023 Budget.

WHEREAS, the IPUC received a final presentation on the FY 2023 Budget on June 23, 2022.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE INDUSTRY PUBLIC UTILITIES COMMISSION DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct and are incorporated herein by reference.

Section 2. The Board of Directors of the IPUC hereby adopts the FY 2023 Budget, attached hereto as Exhibit A, and incorporated herein by reference.

Section 3. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

Section 4. The Secretary shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED by the Industry Public Utilities Commission at a special meeting held on June 23, 2022, by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSTAIN: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

Cory C. Moss, President

ATTEST:

Julie Gutierrez-Robles, Secretary



Industry Public Utilities Commission ("IPUC")

City of Industry | FY 2022/23 Proposed Budget

**INDUSTRY PUBLIC UTILITY COMMISSION
PROPOSED ANNUAL BUDGET**

REVENUE SUMMARY BY FUND	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	ACTUAL 2020-21	ADOPTED BUDGET 2021-2022	AMENDED BUDGET 2021-2022	ACTUAL 3/31/2022	PROPOSED BUDGET 2022-2023
IPUC -ELECTRICITY							
4103.01 ELECTRICITY SALE - LARGE COMMERCIAL	\$ 3,510,900	\$ 3,510,900	\$ 3,493,857	\$ 3,753,000	\$ 3,753,000	\$ 1,776,197	\$ 3,731,000
4103.02 ELECTRICITY SALES - LARGE GENERAL SERVICES	784,000	784,000	639,187	681,000	681,000	350,557	737,000
4103.03 ELECTRICITY SALES - SMALL COMMERCIAL	71,000	71,000	73,230	79,000	79,000	31,558	67,000
4103.04 ELECTRICITY SALES - RESIDENTIAL	15,000	15,000	15,278	18,000	18,000	6,244	14,000
4104 ELECTRIC METER REVENUE	-	-	-	111,000	-	-	-
4300.02 INVESTMENT INTEREST INCOME	170,000	170,000	70,539	111,000	111,000	13,510	29,000
4355 OTHER INCOME	71,000	71,000	256,262	71,000	71,000	11,782	25,000
IPUC - ELECTRIC TOTAL	<u>\$ 4,621,900</u>	<u>\$ 4,621,900</u>	<u>\$ 4,548,352</u>	<u>\$ 4,824,000</u>	<u>\$ 4,713,000</u>	<u>\$ 2,189,848</u>	<u>\$ 4,603,000</u>
IPUC - RECLAIMED WATER							
4115 RECLAIMED WATER SALES	\$ 1,200,000	\$ 1,200,000	\$ 1,255,669	\$ 1,277,000	\$ 1,277,000	\$ 612,168	\$ 892,000
4300.02 INVESTMENT INTEREST INCOME	91,700	91,700	37,834	66,000	66,000	7,554	17,000
4355 OTHER INCOME	3,000	3,000	2,637	4,000	4,000	787	2,000
IPUC - RECLAIMED WATER TOTAL	<u>\$ 1,294,700</u>	<u>\$ 1,294,700</u>	<u>\$ 1,296,140</u>	<u>\$ 1,347,000</u>	<u>\$ 1,347,000</u>	<u>\$ 620,509</u>	<u>\$ 911,000</u>
IPUC - PORTABLE WATER							
4000 WATER SALE	\$ 1,228,500	\$ 1,228,500	\$ 1,202,198	\$ 1,150,000	\$ 1,150,000	\$ 642,746	\$ 1,457,000
4001 SERVICE CHARGES	645,800	645,800	619,862	610,000	610,000	299,215	740,000
4002 CUSTOMER CHARGES	18,000	18,000	13,828	3,000	3,000	3,675	15,000
4003 FIRE SERVICES DC CHARGES	107,000	107,000	104,277	103,000	103,000	51,404	166,000
4440 MISCELLANEOUS INCOME	42,500	42,500	55,276	52,500	52,500	34,718	60,000
IPUC - PORTABLE WATER TOTAL	<u>\$ 2,041,800</u>	<u>\$ 2,041,800</u>	<u>\$ 1,995,442</u>	<u>\$ 1,918,500</u>	<u>\$ 1,918,500</u>	<u>\$ 1,031,758</u>	<u>\$ 2,438,000</u>
IPUC TOTAL	<u>\$ 7,958,400</u>	<u>\$ 7,958,400</u>	<u>\$ 7,839,934</u>	<u>\$ 8,089,500</u>	<u>\$ 7,978,500</u>	<u>\$ 3,842,114</u>	<u>\$ 7,952,000</u>

**INDUSTRY PUBLIC UTILITY COMMISSION
PROPOSED ANNUAL BUDGET**

OBJECT #	ACCOUNT DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	ACTUAL 2020-21	ADOPTED BUDGET 2021-2022	AMENDED BUDGET 2021-2022	ACTUAL 3/31/2022	PROPOSED BUDGET 2022-2023
ELECTRIC FUND								
5012	GENERAL INSURANCE AND BONDING	5,000	5,000	3,332	-	-	6,162	10,000
5013	TELEPHONE	32,000	32,000	33,189	35,000	35,000	28,396	37,000
5021	DUES AND SUBSCRIPTIONS	13,000	9,000	21,299	20,000	20,000	-	6,000
5025	MISCELLANEOUS	1,000	1,000	-	5,000	5,000	-	5,000
5060.01	SPECIAL TAXES AND FEES- ELECTRIC	13,000	13,000	10,938	12,000	12,000	6,916	12,000
5120.01	PROFESSIONAL SERVICES	460,000	609,400	332,335	480,000	480,000	476,244	530,000
5120.02	LEGAL SERVICES	50,000	37,600	30,815	10,000	10,000	34,140	50,000
5130	PLANNING, SURVEY AND DESIGN	50,000	20,000	10,953	60,000	60,000	-	10,000
5205	CONSTRUCTION COSTS	-	-	-	-	-	-	-
5550	REPAIR AND MAINTENANCE EQUIPMENT	2,500	2,500	540	1,500	1,500	540	1,000
5560	EQUIPMENT RENTAL	5,000	2,000	-	5,000	5,000	-	5,000
5570	PRINTING AND PHOTOGRAPHS	500	500	233	500	500	-	500
5640	ADVERTISING AND PRINTING	1,000	1,000	635	1,000	1,000	-	500
5695.01	COMPUTER SERVICES	30,000	20,000	8,764	30,000	15,000	7,963	11,000
5730.01	UTILITIES - GAS	1,200	1,200	600	600	600	302	500
5730.03	UTILITIES - ELECTRICITY	370,000	370,000	358,017	325,000	325,000	228,617	325,000
5900	GENERAL ENGINEERING	560,000	342,400	302,519	425,000	425,000	166,044	375,000
6050	HAZARDOUS WASTE - DISPOSAL	-	11,900	6,899	10,000	10,000	-	10,000
6200	CONTRACT LABOR - PROFESSIONAL TECHNICAL SERVICES	100,000	108,300	116,169	110,000	110,000	69,300	150,000
6325	DEPRECIATION	115,000	115,000	-	115,000	115,000	-	-
6414	ELECTRIC PURCHASED POWER	2,550,000	2,420,300	2,261,950	2,400,000	2,400,000	2,153,268	3,615,900
6415	ENERGY REBATE	160,000	50,000	-	160,000	100,000	-	-
8510	PROPERTY MAINTENANCE	15,000	800	503	10,000	10,000	2,687	10,000
9010	FURNITURE, EQUIPMENT AND FIXTURES	200,000	1,300	1,856	250,000	250,000	717	50,000
	TOTAL	<u>\$ 4,734,200</u>	<u>\$ 4,174,200</u>	<u>\$ 3,501,544</u>	<u>\$ 4,465,600</u>	<u>\$ 4,390,600</u>	<u>\$ 3,181,295</u>	<u>\$ 5,214,400</u>

INDUSTRY PUBLIC UTILITY COMMISSION
PROPOSED ANNUAL BUDGET

OBJECT #	ACCOUNT DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	ACTUAL 2020-21	ADOPTED BUDGET 2021-2022	AMENDED BUDGET 2021-2022	ACTUAL 3/31/2022	PROPOSED BUDGET 2022-2023
IPUC EXPENDITURES (RECLAIMED WATER)								
5011	BOARD SALARIES	\$ 15,000	\$ 15,000	\$ 15,586	\$ -	\$ 15,300	\$ 11,498	\$ 16,000
5012	GENERAL INSURANCE AND BONDING	5,000	5,000	4,279	-	15,000	6,260	9,000
5018	OFFICE SUPPLIES & POSTAGE	-	-	-	-	300	144	1,000
5027	MEDICARE	300	300	226	-	200	167	1,000
5031	DISABILITY	1,000	1,000	966	-	1,000	713	1,000
5031.01	DISABILITY - LONG TERM	-	-	-	-	-	-	1,000
5110	ACCOUNTING FEES	1,000	1,000	857	1,000	1,000	1,073	2,000
5120.02	LEGAL SERVICES	-	-	738	-	-	-	-
5730.03	UTILITIES - ELECTRIC	210,000	210,000	232,893	227,000	227,000	160,232	225,000
5740	PROPERTY TAXES AND ASSESSMENTS	10,000	10,000	7,444	11,000	11,000	9,835	14,000
5900	GENERAL ENGINEERING	-	-	1,403	1,000	1,000	7,250	25,000
6200	CONTRACT LABOR - PROFESSIONAL AND TECHNICAL SERVICES	118,000	118,000	94,698	93,000	93,000	85,155	120,000
9060	RECLAIMED WATER SYSTEM	300,000	300,000	-	94,000	94,000	-	-
	TOTAL	<u>\$ 660,300</u>	<u>\$ 660,300</u>	<u>\$ 359,088</u>	<u>\$ 427,000</u>	<u>\$ 458,800</u>	<u>\$ 282,326</u>	<u>\$ 415,000</u>

**INDUSTRY PUBLIC UTILITY COMMISSION
PROPOSED ANNUAL BUDGET**

OBJECT #	ACCOUNT DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	ACTUAL 2020-21	ADOPTED BUDGET 2021-2022	AMENDED BUDGET 2021-2022	ACTUAL 3/31/2022	PROPOSED BUDGET 2022-2023
IPUC EXPENDITURES (POTABLE WATER)								
	5001 SALARIES	\$ 454,000	\$ 454,000	\$ 432,188	\$ 464,000	\$ 464,000	\$ 239,924	\$ 506,000
	5012 GENERAL INSURANCE AND BONDING	15,000	15,000	15,978	17,500	17,500	10,517	17,500
	5015 PAYROLL TAXES	30,400	30,400	29,228	31,000	31,000	16,290	35,000
	5017 GROUP MEDICAL/DENTAL	152,000	152,000	131,105	145,000	145,000	69,827	145,000
	5018 OFFICE SUPPLIES & POSTAGE	30,000	30,000	21,646	30,000	30,000	5,515	27,000
	5019 RETIREMENT PROGRAM	63,000	63,000	67,955	72,000	72,000	34,269	75,000
	5120.01 PROFESSIONAL SERVICES	78,500	78,500	65,521	115,000	115,000	21,614	81,500
	5301 PURCHASE WATER	285,600	285,600	395,805	419,100	419,100	6,872	472,600
	5302 PURCHASE POWER	131,300	131,300	150,405	170,000	170,000	104,778	185,000
	5303 ASSESSMENTS	281,800	281,800	278,882	283,200	283,200	13,236	280,900
	5430 TRANSMISSION & DISTRIBUTION	85,000	85,000	91,588	85,000	85,000	35,498	85,000
	5460 OTHER EXPENSES - FIELD SUPPORT	40,000	40,000	33,329	40,000	40,000	9,609	40,000
	5470 REGULATORY COMPLIANCE	38,000	38,000	34,056	38,000	38,000	18,857	38,000
	5509 BILLING EXPENSE	30,000	30,000	29,175	30,000	30,000	14,419	30,000
	5550 REPAIR AND MAINTENANCE EQUIPMENT	92,000	92,000	7,812	92,000	92,000	111	82,000
	5620 VEHICLE EXPENSES	36,000	36,000	30,533	36,000	36,000	17,460	36,000
	5631 WORKERS COMPENSATION	7,000	7,000	5,946	7,000	7,000	2,215	6,000
	5640 ADVERTISING & PRINTING	30,000	30,000	208	-	-	11,243	-
	5730 UTILITIES	-	-	5,707	-	-	3,184	-
	5900 GENERAL ENGINEERING	-	-	-	-	-	-	-
	5999 O AND M FEES	195,200	195,200	195,146	199,100	199,100	98,539	203,100
	8104 SERVICE LINE REPLACEMENTS	30,000	30,000	51,825	30,000	30,000	15,300	30,000
	8105 FH LATERALS	6,300	6,300	-	6,500	6,500	-	20,000
	8106 VALVE REPLACEMENTS	19,500	19,500	-	19,000	19,000	-	24,000
	8510 PROPERTY MAINTENANCE	-	-	44,407	10,000	10,000	37,680	10,000
	9010 FURNITURE, EQUIPMENT & FIXTURES	12,000	12,000	-	12,000	12,000	-	-
	TOTAL	<u>\$ 2,142,600</u>	<u>\$ 2,142,600</u>	<u>\$ 2,118,445</u>	<u>\$ 2,351,400</u>	<u>\$ 2,351,400</u>	<u>\$ 786,959</u>	<u>\$ 2,429,600</u>



CIP Detail – IPUC

Electric, Water

City of Industry | FY 2022/23 Proposed Budget

Capital Improvement Program

FY 2022 - 2023

#	Project Name	FY 22-23 Proposed Budget
13. IPU - Water Utility (IPU)		
A	4th Avenue & Trailside Waterline Improvements	285,000.00
B	Groundwater Treatment Plant	1,040,000.00
C	Lomitas Generator	830,000.00
	Total	\$2,155,000
14. IPU - Electric Improvements (IPU)		
A	Automatic Meter Reading	940,000.00
B	Remote Monitoring and Replacement of DGA of power transformers and feeder level protection coordination study at Waddingham Substation	350,000.00
C	Upgrade Distribution System to provide electric service at 839 S. Azusa Avenue	270,000.00
D	Electrical Service Improvement at IBC	2,430,000.00
E	Streetlights Improvement at IBC	1,000,000.00
F	Distribution Line Extension at 999 Hatcher Avenue	2,440,000.00
G	Upgrade SCE Interconnection at Anaheim-Puente Substation	60,000.00
	Total	\$7,490,000
	TOTALS - IPUC	\$9,645,000

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 5.3



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

To: President Moss and Members of the Commission

From: Elise Calvo, Treasurer *EC*
Joshua Nelson, Public Utilities Director *JN*

Staff: Veronica Mejia, Accounting Technician II *VM*

Date: June 23, 2022

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 Fiscal Year 2022-2023, 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.

Fiscal Year
2022-2023

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 June 23, 2022

(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.

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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

i.	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 incompliant.

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.

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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

CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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.

INDUSTRY PUBLIC UTILITIES COMMISSION


ITEM NO. 5.4



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Honorable President Moss and Commissioners

FROM: Joshua Nelson, Public Utilities Director 

STAFF: Mathew Hudson, Engineering Manager
Dev Birla, Operations Manager, CNC Engineering

DATE: June 23, 2022

SUBJECT: Consideration of a Professional Services Agreement with IPKeys Power Partners, Inc., for the implementation of Meter Data Management system for the Automatic Meter Reading project, in an amount not to exceed \$168,267.00 (MP 02-05 #16)

Background:

On June 9, 2022, the Commission approved a Professional Services Agreement (“Agreement”) with IPKeys Power Partners, Inc. (“IPKeys”) for the implementation of the meter data management (“MDM”) system for the automated meter reading (“AMR”) project in conjunction with a Master Products and Services Agreement with Sensus USA, Inc. for the implementation of the AMR infrastructure system. The scope of work covers the MDM Software and various system interfaces, event management and other value-added modules, project implementation and support in integration with the automated metering infrastructure (“AMI”) system and ENCO billing system, training and maintenance support for five years.

Discussion:

It was discovered after the meeting that the incorrect version of the Agreement was submitted. Staff recommends the Commission rescind its approval of the prior Agreement, and approve this version of the Agreement with IPKeys, including the correct contract amount of \$168,267.00, along with minor updates and clarifications in the scope of services and rate schedule, and cyber insurance requirements.

Fiscal Impact:

The fiscal impact is \$168,267.00. In the proposed Fiscal Year 2022-2023 Capital Improvement Project budget, \$850,000.00 is requested for this project (Account No. 122-718-5130) (MP 02-05 #16).

Recommendation:

Staff recommends that the IPUC rescind its prior approval of the Agreement, and approve the revised Professional Services Agreement with IPKeys.

Exhibit:

- A. Professional Services Agreement with IPKeys Power Partners, Inc., dated June 23, 2022

JN/DB:as

EXHIBIT A

Professional Services Agreement with IPKeys Power Partners, Inc.,
dated June 23, 2022

INDUSTRY PUBLIC UTILITIES PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (“Agreement”), is made and effective as of June 23, 2022 (“Effective Date”), between the Industry Public Utilities, a public agency organized and existing under the laws of the State of California, (“IPU”) and IPKeys Power Partners, Inc., a Delaware Corporation (“Consultant”). The IPU and Consultant are hereinafter collectively referred to as the “Parties”.

RECITALS

WHEREAS, the IPU 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, the IPU 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, 2027 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 IPU. The Services shall be performed by Consultant, unless prior written approval is first obtained from the IPU. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) IPU 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 IPU and in a first-class manner in conformance with the standards of quality normally observed by an entity providing meter data management and related services, serving a public utility.

(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) IPU has not consented in writing to Consultant's performance of such work. No officer or employee of IPU 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 IPU. If Consultant was an employee, agent, appointee, or official of the IPU 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 IPU 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

IPU's Public Utilities Director or his designee shall represent the IPU 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 IPU 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 Eight Thousand Two Hundred Sixty Seven Dollars (\$168,267.00) 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 IPU. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by IPU and Consultant at the time IPU'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 IPU 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 IPU 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 IPU 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 IPU 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 IPU. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the IPU 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 IPU 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 IPU or its designees at reasonable times to review such books and records; shall give IPU the right to examine and audit said books and records; shall permit IPU 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 IPU and may be used, reused, or otherwise disposed of by the IPU without the permission of the Consultant. The IPU 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 IPU, at the Consultant's office, and upon reasonable written request by the IPU, the necessary computer software and

hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant shall grants to IPU 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 IPU 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 other than for 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 IPU, and any and all of its employees, officials 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 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, 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 to defend.

In the event the IPU, its officers, employees, agents 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 IPU, Consultant shall have an immediate duty to mutually consult the IPU at Consultant's cost or at IPU's option, to reimburse the IPU 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.

Payment by IPU is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and IPU, as to whether liability arises from the sole negligence of the IPU or its officers, employees, or agents, Consultant will be obligated to pay for IPU's defense until such time as a final judgment has been entered adjudicating the IPU as comparatively negligent. Consultant will not be entitled in the absence of such a

determination to any reimbursement of defense costs including but not limited to attorney's 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 IPU 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 IPU 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 IPU. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the IPU, or bind the IPU 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, IPU shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for IPU. IPU shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

(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 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.

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 IPU, 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 IPU 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 IPU 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 IPU 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 IPU, 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 IPU's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the IPU, 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 IPU, unless otherwise required by law or court order.

(b) Consultant shall promptly notify IPU 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 IPU, unless Consultant is prohibited by law from informing the IPU of such Discovery, court order or subpoena. IPU 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 IPU 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 IPU and to provide the opportunity to review any response to discovery requests provided by Consultant. However, IPU's right to review any such response does not imply or mean the right by IPU 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 IPU: Industry Public Utilities
15625 Mayor Dave Way
City of Industry, CA 91744
Attention: Joshua Nelson, Public Utilities Director

With a Copy to: James M. Casso, Legal Counsel
Casso & Sparks, LLP
13300 Crossroads Parkway North, Suite 410
City of Industry, CA 91746

To Consultant: IPKeys Power Partners, Inc.
4300 Youree Dr., Building 1
Shreveport, LA 71105
Attention: Mark Ponder, President

With a Copy to: David Reynolds, Sr. Contracts Manager
IPKeys Power Partners, Inc.
44 Gilbert Street West
Tinton Falls NJ 07701

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 IPU.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide IPU 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 IPU 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 IPU for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the IPU 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 IPU 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 IPU 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 IPU 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 IPU 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.

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.

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

“IPU”
Industry Public Utilities

“CONSULTANT”
IPKeys Power Partners, Inc.

By _____
Joshua Nelson, Public Utilities Director

By _____
Robert Nawy, CEO

Attest:

By _____
Julie Gutierrez-Robles, 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 meter data management software, various system interfaces, event management, value-added modules, project implementation and support in integration with the IPU's automated metering infrastructure system and ENCO billing system, and training and maintenance support, as set forth below.

IPKeys MDMS Software Description

IPKeys MDMS Base Software

MDMS System Feature Sets (latest version will be deployed)

Modules Include:

- **DataWarehouse 150 Endpoints**
- **Utility Portal -**
 - Visualization of meter read interval and register data. Search by account, utility, meter, meter serial number, street, etc. Perform meter controls; connect-disconnect-read request, manage users, security, access level security, display daily usage charts, link to the optional Consultant Consumer Engagement Portal for utility support conveniences, view AMI read performance charts, display system status.
 - Dashboard Module
 - The standard Dashboard package includes default content boxes selected by the utility from an existing inventory of widgets and RSS feeds. Content boxes will display data residing in the system. Additional Dashboard widgets and RSS feeds can be purchased utilizing optional hourly services.
 - The following are an example of widgets available. Availability of some widgets is dependent upon the data that is available in individual utility system and on the modules purchased. **denotes module-dependent widgets*
 - AccuWeather.com
 - AMI Daily Exceptions
 - AMI Read Performance
 - Blink Counts
 - Connect/Disconnect History
 - Consumption
 - Utility Account Counts
 - Daily Exception Counts
 - Empty RSS Feed (Blank)
 - Event History
 - Exception Graph
 - Meter Read Daily % Exceptions
 - Outage History
 - RSS Widget Feed Help
 - Total Gallons Delivered n/a
 - Total kWh Delivered
 - What is this page all about
 - *Demand Response Devices
 - *Demand Response In-Progress Events
 - *DR Event Summary

- *DR System Load
- *Forecast System Load

- **Charting Module**
 - Generate charts/graphs using meter interval and register read data residing in Consultant.
- **Messaging & Alerts Module**
 - Allows user to schedule reports to be sent via email, such as blink count reporting, daily meter exceptions, negative consumption for active meters, meters not reporting, etc.
 - Allows users to receive predefined alerts via email and/or text messaging.
 - POP3 or comparable outbound email is responsibility of utility to provide.
 - Management and configuration of reports and alerts.
- **Validation, Editing and Estimation (VEE) Module - n/a**
 - Provides data validation, editing and estimation functionality.
- **Virtual End Points**
 - The Virtual Endpoint module (VED) allows the utility to aggregate meters by a common denominator. A VED device allows the aggregation of any number of physical end point devices into one result that will represent the load profile of the group.
 - A VED can be seen in the system like any other meter via the Interval Reads page and in the Charting module.
 - Functionality – A VED can currently be aggregated by:
 - Substation
 - Feeder
 - Line Section
 - Meter (individual meter #s)
 - Rate Class
 - System Load
 - Transformer
 - Zip Code
 - A VED can be created with daily, hourly or 15-minute intervals.
- **Data Views Module**
 - A set of pre-defined, pre-built “data views” are provided with the system SQL Server database. These “data views” look very similar to actual database tables and allow the utility’s users to connect to the database and create their own ad hoc queries. Since the data warehouse model includes a broad range of tables, procedures, and functions, these “data views” are included to reduce the complexity for utility users to access the data for other functions. Users can connect to these views by ODBC connection using MS Access, Crystal Reports or other desktop query and reporting tools. The Data Views Module also includes an ad hoc query tool.
 - Views included: *(available if Data is provided)*
 - ActiveCustomerAccountData
 - ActiveCustomerAccountLocationInformation
 - AllCustomerAccountData
 - BillingReads
 - IntervalReads
 - MeterEvents
 - MeterEvents_GISData
 - MeterInventory

- RatAccountAnalysisByRate
- RateAnalysisRate
- RateAnalysisUsageDateRange
- RateAnalysisUsageReadDate
- RegisterReads
- Substation
- Temperature
- Weather

Each view includes a set of fields derived from the data warehouse model and a complete field list for each “data view” is provided in the user documentation and the Data Views option.

- The elements in the Data Views Module are updated with the same frequency as the interfaces that those individual data elements are pulled from. If the CIS is being updated once daily, the data elements for CIS available in Data Views will be updated daily as well.
- The Data View module provides an Ad-hoc reporting tool that enables users, via drag and drop, to construct SQL Statements to create reports.

- **User Administration**

- User Guide
- Video Library

Integration Modules

AMI Interface (Sensus Metering)

- AMI data collection, AMI event handling, and interactive AMI command and control, including disconnect/re-connect, on-demand meter reading, and load limiting.
- Dependency - AMI headend installation and one test meter are required for base installation to begin.

Importer/Exporter Module-ENCO Billing Export

- Includes file based importing and exporting functionality used for file based integration of data to and from the Consultant application.
 - Billing file Export

Modules

Event Management Module

The Event Management module includes an ESRI mapping feature allowing the utility to select and render report results to multi-layer ESRI map. It provides geographical depiction of events using lat/lon information mapped into the system using data from the GIS or CIS systems of the utility.

When the ESRI Shape File is provided, the Event Management Module includes electric GIS network overlays so events can be viewed by lat/lon in the context of

where these metering points connect to the physical electric network. An accurate connectivity model in ESRI format and ArcGIS server is required.

Functionality includes:

Accepts published (webservice API) metadata from:

- AMI events such as blinks, tampers, negative consumption, gaps, etc.
- ESRI land base maps with electric network, phases, colors, switch states, utility locations, transformers, etc.
- Voltage alerts using the Voltage Analysis module to publish high/low voltage events to the maps. *(when Voltage Analysis Module is installed)*
- Transformer Load Analysis module alerts. *(when TLA Module is installed)*
- Any metadata can be published using our API (webservice) to place data on the GIS module.
- The Event Management module is supported on iPad and other comparable tablet/phone devices with a VPN connection to the utility network.

1.1.1 Voltage Analysis Module

The purpose of the Voltage Analysis Module is to provide utilities with an automated method for alerting and reporting metered voltage threshold violations using voltage data reported from AMI and other related Intelligent Electronic Device (IED) technologies. The module gives the utility a broad view of voltage profiles. It identifies where high/low voltage events are occurring along the distribution system by substation, feeder, transformer, phase or specific end of line meter. It provides reports and alarms from the data collected. It includes:

- High/low event monitoring
- Event detail reporting (historical event reporting of meter voltage readings that exceed/subceed set thresholds)
- Event alerting (events issued when a meter voltage reading exceeds/subceeds set thresholds)
- Exception reports viewable via the GIS module and graphs included with the Voltage Analysis Module
- View historical events interactively by date range
- Custom voltage threshold settings
- Update high/low voltage values by component (individual meter or at a group level)
- Allow or inhibit event alerting by component (individual meter or group level)

Demand Management Module- 6 month Trial

- The ability for users to:
 - Create DM groups
 - Add meters to groups
 - Schedule voluntary DM events

- Issue notifications
- Capture opt-in and opt-out response from customers
- Perform what-if modeling to arrive at correct group numbers to include in event
- Perform post-event load review to determine the result of the participation
- Support for exporting which members of each group indicated participation based on the changes to the participants historical load shape for “like” periods.
- The ability for utilities to:
 - Define groups (also known as **Virtual End Points**) that will be the target for a DME
 - Model DME (define date and time, groups involved, percentage reduction expected)
 - View reconciliation (results) after customer’s kWh real usage is captured for the event modeled
- Monitor all DERM devices in the field
- View actual load vs. predicted load

Forecasting Module- 6 Month Trial

- A projected kWh and KW usage forecast for the next day for all the users that are enrolled in DM program
 - Forecasting for individual and aggregate loads for groups of commercial participants using AMI meter data.
 - Forecast using one of 4 models for up to a year in advance
 - Base Line-Linear interpolation methodology using historical and like days, etc. Linear interpolation is used in this forecasting selection as a method of curve fitting using linear polynomials to construct new data points within the range of a discrete set of known data points
 - Regression-This method samples historical interval readings and temperatures of specific dates. Then the engine predicts using Regression analysis technique. *“Regression analysis is widely used for prediction and forecasting, where its use has substantial overlap with the field of machine learning. Regression analysis is also used to understand which among the independent variables are related to the dependent variable, and to explore the forms of these relationships...”*
WIKIPEDIA Web Site
 - EissBerg-The prediction is independently calculated for each hour. The prediction algorithm is based on finding similar hours. The similarity is calculated as a distance in the weighted space of astronomic time and external data. Then, a few most similar hours are selected, and the maximum of the target values is used as the prediction. The algorithm depends on a set of weight and configuration parameters. Machine Learning techniques of forward and back propagations are used to find the optimal set of parameters for particular dataset and current time by means of gradient descent
 - Backcast-The Backcast Algorithm is a re-applied EissBerg Model. Meaning that it re-evaluates forecast readings using the actual

temperature of the previously EissBerg forecasted intervals. Backcast should be used to better understand how temperature data effects the EissBerg model, to help users understand how EissBerg may function in the future.

- Edit existing jobs to use any models
- View actual load vs. predicted load

IPKeys Consumer Engagement Portal

- Configure pass-through authentication to third-party portal (i.e. payment portal), if applicable
- Content Management Back-end administration and management
- Auto-archiving of site configuration, content and pages
- Customer access to usage data in both graphical and tabular formats
- Customer access to usage information in several units of measure; kWh, kW, kVARh, kVA, PF, gallons, ft³, etc...
- Customer access to usage in correlation to weather conditions(Hi, Low, Avg)
- Customer access to usage by billing cycle or a custom date range
- Customers can manage multiple accounts from a single sign-in
- Customers can download usage in CSV or pdf formats
- Customers can access billing history and actual bill pdf images for up to 3 years(requires access to bill images provided by utility)
- Customers can set up usage alerts (SMS & email) and received notifications when a customer defined specified dollar amount is reached
- Customers can track weekly usage via report by email
- Utility can setup and configure additional content pages in ElectSolve CentraVU CE to provide additional content for customer access such as; tips for usage conservation, TOU sample scenarios, DR program tips, "Tip of the Day", etc.
- allows customers to submit questions/requests/comments which are routed by email to specified departments via the mail form in ElectSolve CE
- Customers can access account information via Mobi Website on smartphones and tablets
- supports token login configurations to allow ElectSolve CE to sit behind other 3rd party authenticated sites such as "pay online" sites.
- supports meter totalization where multiple meters are combined and displayed as a single meter for accounts with multiple meters.
- supports both residential and commercial/industrial customers
- Demand Management -Provides provisioning and enrollment of new participants, new T-Stats

IPKEYS Professional Services

Professional Services (up to 32 hours) to assist IPU and ENCO until all meters are accessible.

IPKeys Project Management

IPKeys Power Partners uses Project Management Institute (PMI) Certified Project Standards. The PMI Certified Project Manager will work with the Consultant Program and Technical Implementation Team, including IPU staff and IPU consultants to complete projects. Consultant Implementation Project Management Phase Approach

A PMI® Certified Project Manager will be assigned to the project. The Consultant Project Manager will be responsible for all project management roles including project initiation, planning, execution, meeting management, quality control and tracking through the System Acceptance Test and closing of the project.

The Project Manager will develop a project plan consisting of:

- Scope
- Project Team/Key Stakeholders
- Project Plan Critical Path
- Communication Plan
- Dependencies & Risk Management Plan

All project artifacts will be available to project stakeholders including a detail tracking log through a project portal website. Sample Schedule - Sample Only. Project Schedule presented at kickoff.

Milestone	Duration <i>Duration is relative to Contract Signing and Project Start</i>
MODMS Schedule (pending initial requirements gathering)	12 weeks
Milestone 0 – Agreement signed Project Initiation and Preplanning begins	
Milestone 1 - Setup-Kickoff & Requirements Gathering for all interfaces and Modules Software Installed on Hosted Servers Deliverable - Agreed upon Requirements based on Utility Work Process Review	3 weeks
Milestone 2 - Software Onboarding- Install and Configure - All Modules and Interfaces Deliverable Software configured with standard configurations and test accounts to demonstrate all Modules (pre-integration)	2 weeks
Milestone 3 Integration Certification- All Interfaces & Modules Deliverable certified Integration Files/Webservices demonstrated in MDM	2 weeks
Milestone 4 - Data Validation & configuration Adjustments - All Modules and Interfaces Deliverable - Signoff on data content and final configuration after any adjustments required to accommodate Data & Work processes. System ready for SAT	3 weeks
Milestone 5 - Testing, QA, SAT - All Modules and Interfaces Deliverable Production System	2 weeks
<i>Signoffs occur at all milestones with schedules adjusted up or out as required</i>	

IPKeys Training

MDMS Platform Training

One Day Training Webex or on-site

The IPKeys *MDMS* System includes an online user guide and Video Library.

IPKeys Hosting Service

Hosting service includes the following:

- Consultant software, non-redundant computer server equipment hosted in Consultant's co-location facility, Databank, in Dallas, Texas; data backups, software support, DBA services, integration support and future software upgrades.
- 36 months of 15-minute interval data and 36 months of daily consumption register read data maintained online.
- Utility will have access to the Consultant System via secure VPN access to the hosted solution. Utility is responsible for configuring their networks to support VPN access to the Consultant hosting center. Consultant is responsible for configuring their hosting networks to support VPN access to utility's networks and other utility hosted solutions. Both parties will work together to test VPN connectivity and to ensure the security of the VPN connection (to support the VPN, an internet connection of at least 50 Mbps download is required).
- Consultant System to support up to 150 endpoints
- Minimum 60-month service contract required.

IPKeys Support

Software Maintenance and Support

IPUC will have access to the MDMS System via secure VPN access to the hosted solution. IPUC is responsible for configuring their networks to support VPN access to the Consultant hosting center. Consultant is responsible for configuring their hosting networks to support VPN access to IPUC networks. Both parties will work together to test VPN connectivity and to ensure the security of the VPN connection.

Consultant will provide MDMS software and integration support services. Support Services include the following:

- Access to MDMS software interface and integration method upgrades, MDMS program patches and documentation updates
- Business hour hotline support, telephone support from 8:00 AM to 5:00 PM CST. After hours support provided for Priority 1 calls.
- Application and data problem diagnosis assistance resulting from system integration issues, data management issues or other related causes.

1. New Releases and Updates

- a. Upgrades to the software/solution. Consultant will notify IPUC Thirty (30) days in advance of installing a new certified version of the Software. Consultant will then coordinate with IPUC to install the latest available versions of the Software at a suitable time and will coordinate this installation within any IPUC required maintenance window(s) following agreed upon change management process.
- b. Upgrades to the configured 3rd party integrations. IPUC will notify Consultant and provide release notes Thirty (30) days in advance of installing a new version of any integrated third-party software (i.e. AMI, CIS, SCADA...).

Support Request Incident Management

IPUC and Consultant collaboration and communication is a key to mutual success. All entities responsible for Service Availability will follow an agreed matrix for Incident communication and Incident Management.

A. Tickets and Updates

Consultant will coordinate Incident isolation, testing and repair work for Consultant Software and all Software third-party component system errors, defects or problems that are within Consultant's span of control which are covered under the applicable Software Maintenance and Support Agreements. Consultant will proactively inform IPUC when an issue or condition arises that may

cause potential system anomalies and additional issues. See the definitions section for additional detail.

B. IPU Notification to IPKEYS

IPU may communicate Incidents to Consultant by email, Consultant Customer Portal or telephone at any time. In each case, Consultant will open a ticket with information to assist in issue resolution and will assign a ticket number to the issue. Consultant will generate a single response by email for each ticket regardless of initial issue notification method.

C. Issue Classifications

Consultant assigns issue/tickets to a specific Priority based on the following matrix below:

Priority (Impact/Urgency)	Definition
1 - Critical	Complete System or Software failure, severe Software instability, or the loss or failure of any major subsystem or Software component such as to cause a significant adverse impact to Software availability, performance, or operational capability.
2 - High	Degradation of Software or critical functions such as to negatively impact Software operation.
3 - Medium	Any other system or software defect, failure, or unexpected operation.
4 - Low	Request for Software information, technical configuration assistance, "how to" guidance, and enhancement requests.

D. Escalation Procedure

IPU may elect to escalate a support Priorities 2, 3 or 4 issues if and when Consultant proposed action plan or solution to a problem is unsatisfactory, the reported priority of a problem has changed, and/or the Consultant has not provided a response within the targeted response time.

E. Business Hours Support

Support Email Address - help@ipkeys.com
 Regular Business Hours Phone - 877-221-2055

Consultant will provide assistance with service requests 8 hours per day, 5 days per week excluding holidays. Support shall be provided during normal working hours (8:00 am – 5:00 pm Central Time).

The Support team shall include all key technical competencies so that any aspect of a system failure can be investigated and shall comprise experienced technical staff that is skilled in troubleshooting Consultant delivered system.

Each ticket entered by IPU shall be logged, given a unique ticket number, and assigned to a Consultant support resource for investigation and analysis. Once analyzed the priority will be updated if required.

Priority 1 problems shall be reported by telephone for rapid response; target response times are stated below.

After Hours Phone - 888-407-1621

Regular Hours Phone - 877-221-2055

For priority 1 problems, the key objective shall be to restore the system to an operational state as quickly as possible, which may be achieved by a temporary workaround. Resolution of the issue shall then be completed during Consultant standard working hours.

Priority 2-4 issues/items shall be reported in the same manner as for 8X5 Support and will also undergo a review and triage process and shall have alternative target response times as stated below.

After Hours Support is defined as incidents that occur Monday – Friday before 8am Central time or after 5pm Central Time or on Saturdays, Sundays, or holidays.

After Hours Support should only be used for incidents that would be considered Priority Level 1 problems.

To report a Priority Level 1 issue after regular hours, call the Consultant’s on-call number listed above.

In the event the IPU is unable to talk to a support representative directly, the IPU should leave a detailed message and they will be contacted within the allotted timeframe for a Priority Level 1 issue as outlined in section H.

F. Standard Target Problem Response Times

Priority	Initial Response Time (Call back by Consultant Support)	Action Response Time (Work will be prioritized and assigned)	Notes
1	60 minutes (For after-hours/holiday support, IPUC must call the after-hours support number in section F in order to guarantee response time)	4 hours	An urgent or emergency requiring continuous attention from necessary support staff until system operation is restored – may be a workaround.
2	1 day	1 day	Attempt to find a solution acceptable to the IPUC as quickly as practical. Resolution may be a workaround. Resolution time is dependent on reproducibility, ability to gather data, and IPUC’s prioritization.
3	2 days	5 days	Evaluation and action plan. Resolution may be by workaround. Resolution time is dependent on reproducibility, ability to gather data, and IPUC’s prioritization.
4	2 days	10 days	Statement of when problem or question is likely to be resolved.

Overall System and Software Availability and Maintenance

Consultant will ensure that the Consultants’ hosted Software maintains an overall monthly Availability of: 99.9%.

Consultant agrees that its Software will meet or exceed the service level requirements for Availability, that fall within Consultants’ Span of Control.

This Availability requirement excludes Scheduled Downtime for approved maintenance, upgrades, and any issues outside of Consultants' span of control as listed in the Definitions and/or Roles and Responsibilities section.

Clarification on context of support: The Consultants Software is a Data Warehouse solution. The data management and maintenance necessary to provide this Software requires that the Consultant have certain time periods available for scheduled downtime and regular maintenance.

Scheduled Downtime: Consultant will have the following maintenance periods. Software may be unavailable during these designated periods. Utilities will be notified at least three days in advance of scheduled maintenance activities. All times are in Central time.

Monthly: 4 hours per week normal database maintenance window between the hours of 11:00 PM and 6:00 AM M-F or between 12:01am Saturday and 6:00 AM Monday.

Bi-Annually: Two 24-hour periods for normal bi-annually scheduled software and database maintenance between the hours of 1am Saturday and 6am Monday.

Annually: One 48-hour period for scheduled software and database maintenance between the hours of 12:01 AM Saturday and 6:00 AM Monday.

Non-Scheduled Downtime: Downtime related to Utility: hardware, telecom issues, network issues, 3rd party vendor issues, and all infrastructure related issues that are not within the Consultants' Span of Control. These issues are not included in the calculations for the "Service Availability Requirement". See the definitions section for additional detail.

Disaster Recovery: Annual Testing: One 48-hour period for scheduled DR failover and maintenance between the hours of 12:01 AM Saturday and 6:00 AM Monday.

High Availability: Annual Testing: One 48-hour period for scheduled testing and software and database maintenance between the hours of 12:01 AM Saturday and 6:00 AM Monday.

5. Exceptions

Exceptions to Availability resulting from non- Consultant infrastructure, hardware, Utility infrastructure and telecom providers are excluded from the Software Availability. See definitions and roles/responsibilities appendix.

Consultant MDMS End User License Agreement EULA

Purchase and use of the IPKeys MDMS System is subject to the following license agreement.

SOFTWARE PRODUCT LICENSE

The SOFTWARE is protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The SOFTWARE is licensed, not sold.

GRANT OF LICENSE.

This EULA grants you the following rights:

Software. IPU may install, use, access, display, run, or otherwise interact with ("RUN") one copy of the SOFTWARE, on a single network server device ("COMPUTER"). A second copy may be deployed on a second server for disaster recovery purposes and for failover. Only one copy of the SOFTWARE may be used for production at any given time and only one customer use is permitted. The SOFTWARE may not be used in an ASP(Application Service Environment) environment to allow additional customer access to the SOFTWARE.

Reservation of Rights. All rights not expressly granted are reserved by Technology Solutions and Services Inc.

Accessing Services Using the SOFTWARE. IPU's use of any service accessible using the SOFTWARE is not covered by this EULA and may be governed by separate terms of use, conditions or notices.

RESTRICTIONS.

IPU must maintain all copyright notices on all copies of the SOFTWARE.

Limitations of Reverse Engineering, De-compilation and Disassembly. IPU may not reverse engineer, decompile, or disassemble the SOFTWARE, except and only to the extent that such activity is permitted by applicable law notwithstanding this limitation.

Rental. IPU may not rent or lease or lend the SOFTWARE.

Software Transfer. The license to this software is not transferable, except as authorized in writing IPKeys Power Partners INC.

Support Services. Consultant may provide you with support services related to the SOFTWARE ("Support Services"), at its discretion

Any supplemental software code provided to IPU as a part of Support Services shall be considered part of the SOFTWARE and subject to the terms of this EULA. With respect to technical information IPU provides to Consultant as part of the Support Services, Consultant may use such information for its business purposes, including for product support and development. Consultant will not utilize such technical information in a form that personally identifies IPU except to the extent necessary to provide IPU with support.

Replacement, Modification and Upgrade of the Software. Consultant may replace, modify or upgrade the SOFTWARE at any time by offering you a replacement or modified version of the SOFTWARE or such upgrade and may charge for such replacement, modification or upgrade. Any such replacement or modified software code or upgrade to the SOFTWARE offered to IPU by Consultant shall be considered part of the SOFTWARE and subject to the terms of this EULA (unless this EULA is superseded by a further EULA accompanying such replacement or modified version of or upgrade to the SOFTWARE). In the event that Consultant offers a replacement or modified version of or any upgrade to the SOFTWARE, (a) IPU's continued use of the SOFTWARE is conditioned on IPU's acceptance of such replacement or modified version of or upgrade to the SOFTWARE and any accompanying superseding EULA and (b) in the case of the replacement or modified SOFTWARE, IPU's use of all prior versions of the SOFTWARE is terminated.

COPYRIGHT.

All title and copyrights in and to the SOFTWARE (including but not limited to any images, photographs, animations, video, audio, music, text and "applets," incorporated into the SOFTWARE), the accompanying printed materials, and any copies of the SOFTWARE, are owned by

Consultant Technology Solutions and Services, Inc. or its suppliers. All title and intellectual property rights in and to the content which may be accessed through use of the SOFTWARE is the property of the respective content owner and may be protected by applicable copyright or other intellectual property laws and treaties. This EULA grants IPU no rights to use such content. If this SOFTWARE contains documentation which is provided only in electronic form, you may print one copy of such electronic documentation. You may not copy the printed materials accompanying the SOFTWARE.

To further clarify and to provide examples of; images, photographs, animations, video, audio, music, text and applets, please see the following;

Images & Photographs: The SOFTWARE includes images and photographs in some of its user interfaces and reports. These images and photographs were produced and captured by IPKeys as original works are included in the scope of the SOFTWARE COPYRIGHT.

Video, Audio and Music: The SOFTWARE includes training videos and Audio. These training videos and audio recordings were produced and captured by IPKeys as original works and are included in the scope of the SOFTWARE COPYRIGHT.

Text and Applets: The SOFTWARE includes certain text and language that is protected by COPYRIGHT. The text name of the SOFTWARE and the IPKeys corporate logos are included in this COPYRIGHT. The SOFTWARE name in text form and corporate logos were produced by IPKeys as original works and are included in the scope of the SOFTWARE COPYRIGHT.

LICENSE OWNERSHIP.

IPU with own a single SOFTWARE license.

OWNERSHIP OF IPU CUSTOMER DATA.

IPU will own all IPU customer data that is collected, stored or processed into and by the SOFTWARE.

EXHIBIT B

RATE SCHEDULE

MDMS 5 Years of Hosting License, Implementation and Operations and Maintenance Services

One-Time Fee	\$77,500.00
Annual Maintenance Fee@ \$15,094.00	\$75,470.00 for 5 years

Annual Maintenance will begin 60 days from software being installed as highlighted below. 2022 will be prorated and annual will be billed beginning January of 2023.

10 percent contingency	\$15,297.00
Total not-to-exceed	\$168,267.00

Payment Schedule-

Milestone	Amount Invoiced US Dollars
Milestone 0 – Agreement signed Project Initiation and Preplanning begins	\$19,375
Milestone 1 - Setup-Kickoff & Requirements Gathering for all interfaces and Modules Software Installed on Hosted Servers Deliverable - Agreed upon Requirements based on Utility Work Process Review Annual Maintenance begins 60 days from software being installed	\$19,375
Milestone 2 - Software Onboarding- Install and Configure - All Modules and Interfaces Deliverable Software configured with standard configurations and test accounts to demonstrate all Modules (pre-integration)	\$19,375
Milestone 3 Integration Certification- All Interfaces & Modules Deliverable certified Integration Files/Webservices demonstrated in MDM	\$6,458
Milestone 4 - Data Validation & configuration Adjustments - All Modules and Interfaces Deliverable - Signoff on data content and final configuration after any adjustments required to accommodate Data & Work processes. System ready for SAT	\$6,458
Milestone 5 - Testing, QA, SAT, Training - All Modules and Interfaces Deliverable Production System	\$6,459

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of IPU, 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 IPU.

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 IPU, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of IPU, its officers, agents, employees and volunteers.

Cyber liability insurance. Consultant shall maintain cyber liability insurance in an amount not less than \$2,000,000.00 per occurrence or claim, and in the general aggregate. Coverage shall be sufficiently broad to respond to the Services set forth in this Agreement, and shall include, but not be limited to, claims involving infringement of copyright, trademark, trade dress, claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information (including credit monitoring costs), alteration of electronic information, extortion and network security.

Proof of insurance. Consultant shall provide certificates of insurance to IPU 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 IPU's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with IPU at all times during the term of this contract. IPU 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 IPU 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 IPU before the IPU's own insurance or self-insurance shall be called upon to protect it as a named insured.

IPU'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, IPU has the right but not the duty to obtain the insurance it deems necessary and any premium paid by IPU will be promptly reimbursed by Consultant, or IPU will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, IPU 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 IPU's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against IPU, 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 IPU, 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 IPU to inform Consultant of non-compliance with any requirement imposes no additional obligations on the IPU 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 IPU 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 IPU.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to IPU 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 IPU 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 IPU 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 IPU for review.

IPU's right to revise specifications. The IPU 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 IPU and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the IPU. The IPU 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 IPU.

Timely notice of claims. Consultant shall give the IPU 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.