

**ENGINEERING AND INFORMATION TECHNOLOGY
COMMITTEE MEETING SUMMARY MINUTES
Wednesday, March 18, 2020
4:15 p.m.**

ATTENDANCE BY TELECONFERENCE

MB

Directors: Aziz Akbari (chair), Judy Huang

Staff: Robert Shaver, Ed Stevenson, Ariz Naqvi, Juni Rotter, Ben Egger, Sean O'Reilly

DISCUSSION TOPICS

1. Update on Advanced Metering Infrastructure Project: Ben Egger, Project Engineering Supervisor, provided a brief update on the project schedule and status of the ongoing procurement process for the Advanced Metering Infrastructure (AMI) deployment contract and AMI customer portal software procurement to be implemented with the AMI Project.

The AMI deployment Request for Proposals (RFP) advertised on July 31, 2019, and four proposals were received on September 30, 2019. A comprehensive and detailed evaluation process, which includes technical evaluations of the proposed solutions, proposer interviews, and financial evaluations and any necessary contract negotiations, as detailed in the RFP, is ongoing and currently being conducted by staff on the evaluation team, which includes key internal stakeholders from each department.

The AMI customer portal RFP was advertised on October 7, 2019, and six proposals were received on October 31, 2019. A comprehensive and detailed evaluation process, which includes technical evaluations of the proposed solutions, proposer interviews, and financial evaluations and any necessary contract negotiations, as detailed in the RFP, is ongoing and currently being conducted by staff on the evaluation team, which includes key internal stakeholders from each department.

Integral to the success of the project is the integration between the District's existing Cayenta Customer Information System (CIS) and the new AMI and customer portal systems. The Board previously awarded professional services to Cayenta for configuration changes and integration development. Mr. Egger confirmed to the Committee that the timeline for the required integration work, including the Cayenta integrations, is currently expected to take approximately 9 months from the award of the contract, extending the AMI Proof of Concept (PoC) deployment timeline out by up to 6 months.

Mr. Egger updated the Committee that staff continues to make progress on the planned Proposal evaluation process, with the intent to recommend that the Board award the entire AMI deployment contract (Project start-up, PoC, and full deployment), which includes an available off-ramp following the PoC phase in the event the system does not meet requirements. However, the process is ongoing and currently staff is targeting the April 2020 Board meeting to recommend award. Additionally, staff will be recommending award of the AMI Customer Portal contract, an amendment for continued professional services support to EMA Inc., and various reimbursement resolutions necessary to support potential future State Revolving Fund (SRF) funding for project expenditures. Because of the interrelationships

between all of these contracts and project elements, staff plans to bring a comprehensive set of recommendations related to all of these contracts to the Board concurrently. Therefore, the timing of staff's recommendation to the Board is contingent on a number of factors, and the currently planned April timeframe may change.

Staff responded to questions from Directors Akbari and Huang.

2. Update on Clean Energy Program: Sean O'Reilly, Development Services Engineer, and Ed Stevenson, Manager of Engineering and Information Technology, provided an update on the District's Clean Energy Program and the work completed to date.

Mr. O'Reilly, along with the District's energy consultant, Sage Renewables, and the District's core technical team have spent the last several months preparing bridging documents and other related materials for the District's release of a Request for Proposals (RFP). The RFP will solicit pricing for a Power Purchase Agreement (PPA) on an individual site basis. Up to seven District-owned sites, including the District Headquarters (carport and other canopies), Alameda, Decoto, Mayhew, and Whitfield Reservoirs (roof-mount), the Newark Desalination Facility (roof-mount), and Pits T-1/T-2 (floating solar), will be utilized in a PPA to provide energy services to District facilities, via Net-Metering (NEM) and Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) PG&E tariff programs. It is currently expected that the PPA will provide a cost savings to the District, as solar power purchased on-site or via tariff will be lower in cost than power purchased directly from the utility (PG&E).

The PPA will be a Public-Private Partnership, and is common in the solar and renewable energy market. The PPA will allow the District to take advantage of existing IRS Investment Tax Credits (ITC), which otherwise would not be available to a non-tax paying entity such as the District. The current ITC for 2020 is 26%, and requires a PPA Contract to be signed, preliminary design completed, and purchase of 5% (value) of the equipment necessary, typically panels, by December 31, 2020. The PPA will include elements for long term maintenance and replacement of power generation equipment, which typically has a service life of 25 years.

The District intends to review all proposals meeting established qualifying criteria and minimum requirements. The District will evaluate and rank proposals according to "Best Value" to the District, based on several substantive variables, including but not limited to lifetime energy cost savings, PPA energy rate (\$/kWh), Performance Guarantee (PeGu), exceptions to contract terms, schedule, maintenance, PV components and production, and vendor experience.

Construction will be phased, with selected sites other than Alameda and Decoto Reservoirs making up Phase 1, and Alameda and Decoto Reservoirs in Phase 2 since these sites will require roof replacements and seismic upgrades (lateral loads) to support the addition of solar panels.

In addition to the work with the District's energy consultant, staff has worked with LSA to provide CEQA environmental review support services, and various subcontractors to review structural and geotechnical information for each site. Finally, the District is also engaged and

up-to-date on the existing and planned grant funding opportunities for solar, and solar plus battery projects, and those opportunities will continue to be evaluated.

The District estimates the Clean Energy Program, if fully implemented, can decrease District's energy operating costs up to \$4.6M, and offset greenhouse gases up to 97,000 tons CO₂e, over 25 years.

Staff responded to questions from Directors Akbari and Huang.

3. JD Edwards Maintenance Agreements: Ariz Naqvi, Information Technology Manager, provided an update on the JD Edwards (JDE) software support and maintenance agreement.

J.D. Edwards is the District's core financial and enterprise business software supporting several critical business functions. Continued technical support is required to ensure optimal operation of the software. A software update and support agreement is necessary to obtain software updates critical to resolving issues and access to new software releases containing enhancements and new functionality. Tax, legal, and regulatory updates which are necessary for payroll and other financial functions are also provided under the agreement along with continuous access to Oracle support to help resolve functional and technical issues at no additional cost.

Mr. Naqvi informed the committee that the cost of the software update and support agreement is based on the software modules purchased and the costs are typically subject to an annual increase which is generally 3%-5% of the prior year's cost. However, Oracle offers incentives to customers for entering into longer-term agreements. Customers that enter into a longer-term agreement are not subject to the typical annual increases in cost. The District previously entered into a five-year Software Update and Support Agreement with Oracle which expires in May 2020. To continue receiving technical support, software updates, and fixes, the District needs to enter into a new agreement with Oracle.

Staff anticipates that the District will continue to utilize JDE as the core financial and enterprise business software for the next five years. A five-year support agreement poses minimal risk to the District since Oracle has committed to continuing to support its JDE platform well beyond the five year term of the agreement. The total cost for a new five-year support agreement will be \$516,662.90 and will continue to be billed quarterly as in the past. Staff is planning to request Board authorization for a new five-year JDE software update and support agreement at the April 14, 2020 Board meeting.

Staff responded to questions from Directors Huang and Akbari.

4. Microsoft Enterprise Agreement Amendment: Ariz Naqvi, Information Technology Services Manager, provided an update on the proposed amendment to the District's Microsoft Enterprise Agreement.

On December 12, 2019, the Board authorized the execution of a three-year Microsoft Office 365 Agreement (Microsoft EA) from Dell, Inc. in the amount of \$255,240 for Microsoft's cloud-based software-as-a-service (SaaS) offering for office productivity, email, and document management. The District utilized the 2019 County of Riverside cooperative

purchase agreement which was based on a competitive bidding process. Dell, Inc. offered the best pricing for Microsoft EA subscriptions under the County of Riverside cooperative purchase agreement.

Mr. Naqvi informed the committee that in addition to Office 365 office productivity software, the District has standardized on the Microsoft platform for various software solutions including desktop and server operating systems and the SQL Server database platform. The District routinely purchases new licenses for these Microsoft products to accommodate staff needs and to update such software on a regular basis to keep current with changes in technology, comply with cybersecurity requirements, and to utilize enhanced functionality. These routine purchases are currently procured through Microsoft Select, a competitive procurement option available to government agencies. However, with the recent addition of Microsoft EA as a procurement option, the District can now purchase these Microsoft products from Dell, Inc. at a lower overall cost as compared to the Microsoft Select procurement option. During the current three-year Microsoft EA subscription term ending December 2022, the District plans to purchase new licenses and updated versions of the Microsoft products listed below.

- Windows 10 Enterprise Desktop Operating System
- Windows Server 2019 Datacenter Operating System
- Microsoft Project
- Microsoft Visio
- Microsoft SQL Server
- Microsoft Audio Conferencing and Phone
- Windows 7 Extended Support

Based on the number of licenses and subscriptions, the total cost of additional purchases over the term of the Microsoft EA is estimated to be \$260,000. Staff recommends an amendment to the Microsoft EA from Dell, Inc. to allow the District to purchase these Microsoft products from Dell, Inc. on as needed basis, provided the costs to purchase these products through the Microsoft EA are lower than other procurement options. These expenses are planned and budgeted in the IT Division's operational and capital budgets. Staff is planning to request Board authorization for an amendment to the Microsoft EA at the April 14, 2020, Board meeting.

Staff responded to questions from Directors Huang and Akbari.

3. Public Comments: There were no comments.

RECOMMENDATIONS

Topics discussed by the Committee were informational only, and no recommendations are being made.