



**MINUTES OF THE REGULAR  
MEETING OF  
THE  
INLAND EMPIRE UTILITIES AGENCY  
BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 7, 2017  
10:00 A.M.**

**DIRECTORS PRESENT:**

Steven J. Elie, President  
Michael Camacho, Vice President  
Jasmin A. Hall, Secretary/Treasurer  
Kati Parker

**DIRECTORS ABSENT:**

Paul Hofer

**STAFF PRESENT:**

Joshua Aguilar, Senior Engineer  
Christopher Berch, Executive Manager of Engineering/AGM  
Pietro Cambiaso, Supervisor – Environmental Compliance & Energy  
Michael Dias, Assistant Engineer  
Chander Letulle, Manager of Operations and Maintenance  
Jesse Pompa, Senior Engineer  
Shaun Stone, Manager of Engineering  
Tiffany Tran, Associate Engineer Environmental Compliance  
Christina Valencia, Chief Financial Officer/AGM  
April Woodruff, Board Secretary/Office Manager

**OTHERS PRESENT:**

Jean Cihigoyenette, JC Law Firm  
Paola Avendano, Freddie Rodriguez – Assemblymember

A regular meeting of the Board of Directors of the Inland Empire Utilities Agency\* was held at the office of the Agency, 6075 Kimball Avenue, Bldg. B, Chino, California on the above date.

President Elie called the meeting to order at 10:04 a.m. and Manager of Engineering Shaun Stone led the pledge of allegiance to the flag. A quorum was present.

President Elie stated that members of the public may address the Board. There was no one desiring to do so.

President Elie asked if there were any changes/additions/deletions to the agenda. There were no changes/additions/deletions to the agenda.

**ACTION ITEMS**

**SAWPA CELESTE CANTÚ RETIREMENT EVENT**

Chief Financial Officer/AGM Christina Valencia stated that Mr. Haller at SAWPA is coordinating the retirement event for General Manager Celeste Cantú on June 22. Mr. Haller is asking the SAWPA member agencies to contribute funds to support the event. The contribution requested will be to pay for the remaining balance after contributions from private and third parties, including a fee of \$35 per person attending the event. SAWPA has requested that the members agencies contribute up to \$2,000 each. Western Municipal Water District, Eastern Municipal Water District and San Bernardino Valley Municipal Water District stated that they will contribute up to \$2,000 each. There is no update on the Orange County Water District. The recommendation for the Board is to approve a contribution of up to \$2,000. Director Camacho stated that he had no problem in trying to help raise money or help make calls. However, he stated he felt uncomfortable using public dollars for anyone’s retirement event. There was no further comment or motion.

Upon lack of a motion, there was no action made.

**CONSENT ITEMS**

President Elie asked if there were any Board members wishing to pull an item from the Consent Calendar for discussion. There was no one desiring to do so.

Upon motion by President Elie, seconded by Director Parker, and unanimously carried:

**M2017-6-1**

MOVED, to approve the Consent Calendar.

A. Adopted Resolution No. 2017-6-12, commending Councilmember Glenn Duncan for his 25 years of service with the City of Chino.

**WORKSHOPS**

**ENERGY MANAGEMENT PLAN WORKSHOP #2**

Executive Manager of Engineering/AGM Chris Berch stated that this is the second workshop in a series presented to the Board. The first workshop was done in April and it focused on Regional Plant No. 5 (RP-5). The focus of this presentation will be to build on that and to give an overview of the current activity and long term planning for energy management at Regional Plant No. 1 (RP-1). The energy management goals are essential to meeting energy management specific activities within the Agency. Managing costs and energy management are closely correlated with the energy costs being a big part of the Agency’s budget and important for the Agency’s overall business goals.

Mr. Berch stated that for RP-1, energy management is the largest single cost in the O&M budget other than labor. It’s a third of the budget, which is \$3 million (M) dollars a year for the RP-1 plant. The Agency has solar at three different locations within the facility and a fuel cell located adjacent to old engine facility. The current RP-1 energy demand is approximately 4 Megawatts (MG) during the summer season. There is an average of 0.6 MG from solar during peak periods. When the fuel cell is operating combined with solar, it gives a capacity of about 3.1 MG. Discussion ensued about the recycled water pumps, capacity of the fuel cell and if the fuel cells will be operable in the future. Mr. Berch stated to use the fuel cell as a purely natural gas facility is an option and proven to work well. At some point, the Agency will have to make a decision on what to do long term with this facility.

He continued by stating that peak power independence is not being met. In regards to grid interdependence, there is no battery storage at the site at this time but will be working toward grid interdependence. The Agency is one-third of the way toward the carbon neutrality goal. He spoke of the importance of long term planning, the ten year capital program and other initiatives. There is a significant amount of changes that will be happening to the facility that are going to impact power demands and will also generate more biogas and have other opportunity for the Agency. When looking at long term planning for energy management, it's broken down to two main approaches. Option one is electric generation, using equipment that uses biogas and produces power. Generally, things such as fuel cells, internal combustion engines and microturbines are all types of equipment that can produce that type of power. Mr. Berch explained the process of the biogas being used for electrical generation. Some of the benefits of electrical generation is that it is a beneficial use of biogas, renewable energy source and contributes to meeting IEUA Energy Management Plan initiatives. Some of the biggest downsides is that it is very influenced by market trends in regards to cost of power and regulatory concerns. The other option that is being considered is using the biogas as transportation fuel and/or pipeline injection to natural gas line, renewable natural gas (RNG). The biogas can be put into tanker trucks and taken where it can be used as transportation fuel. The gas company has amended/created tariffs and received approval to carry out injection programs where biogas is cleaned up and put back in the pipeline. Mr. Berch explained the process of the biogas being used for transportation fuel and/or pipeline injection. If pursued, this process will both use the biogas for transportation fuel and pipeline injection. Some of the biggest benefits of the program is that there is significant potential revenue stream opportunities, possible long term contracts, 100 percent beneficial use of biogas, and it aligns with State and local air quality goals. Some of downsides is that there is a lot of variability in the market, does not contribute to meeting all Agency Energy Management Plan Initiatives, and the energy market price.

Discussion ensued regarding revenues, reinvestment back into renewable program, and Agency business goals. Mr. Berch stated that staff's plan is to continue to pursue cost effective energy projects that meet Agency goals. Staff is considering beginning a (RNG) feasibility study to look at the value of undertaking a renewable natural gas project. Staff will provide an annual energy update to the Board and continue to research alternative renewable resources. Discussion ensued about the benefits of the battery, site restrictions, alignment with core agency goals, challenges of public/private partnerships, and concerns about the gap of consumption and generation at RP-1.

### **ENGINEERING AND CONSTRUCTION MANAGEMENT PROGRAM UPDATES**

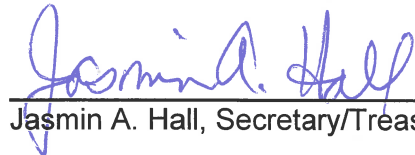
Manager of Engineering Shaun Stone started with the Engineering department's drivers – to implement IEUA's Ten Year Capital Improvement Plan (TYCIP), project management (PM) integration – PM from design through construction, compliance with the project's goals, approved plans, specifications, and standards, and support Operations and Maintenance in minor construction, safety and emergency projects. Mr. Stone gave a snapshot of the current TYCIP with the budget at \$700M and 120 active projects. He went over the organization chart of the Engineering department consisting of 37 staff members, imbedded consulting staff, office engineering, and construction management staff. There are four supervisor staff – three supervisors and one manager. President Elie stated that he would like to see an organization chart for the entire Agency. He stated that seeing the chart in this form is extraordinarily useful.

Mr. Stone continued with an Engineering strategic planning update. President Elie asked if there was a plan where contractors can continuously apply to be prequalified. Mr. Stone answered that for projects \$2M and under, the Agency prequalified every two years and they remain on the list for four years. On projects over \$2M, it is an individual project prequalification. Even if a company is on their prequalified list for \$2M and under, for project over \$2M they still have to submit to be considered and will be vetted again. Mr. Stone stated that the program goals falls under four main categories: budget, schedule, communication, and management change. Staff's goal is to manage the budget and schedule to have it remain on track for projections made at the beginning

of the project. One of the emphasis on communications is to have early, proactive, and open communication. He stated that the last category is change management, where identification and implementation of required changes may be requested but there is an impact.

Mr. Stone stated that there are three ways projects are created: Ten Year Capital Improvement Plan / annual budget allocations, operations and maintenance requests throughout the year and emergency projects. There are many steps that go into getting a project to the end where it is in operation. Mr. Stone went into detail on the projects life cycle, charter, design kick off, design/permitting, bid and award, and construction. There are three budget gates in the life of the project where the budget is assessed and potentially modified – inception, design kick off, and the construction bid and award phases. Mr. Stone stated that the next steps in the strategic planning of the Engineering department is the integration of the Asset Management Plan with the TYCIP, to complete the long-term planning. The Engineering department is currently working on the continuity of documents, working to streamline all documents and tie language together so that they are a consistent support. He ended by asking the Board if they have anything else the Engineering department should be looking at beyond the business goals.

With no further business, President Elie adjourned the meeting at 11:33 a.m.

  
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Jasmin A. Hall, Secretary/Treasurer

**APPROVED: JUNE 21, 2017**