



AGENDA

**MEETING
OF THE
BOARD OF DIRECTORS**

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

**INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
BOARD ROOM
6075 KIMBALL AVENUE
CHINO, CALIFORNIA 91708**

**CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS
WORKSHOP MEETING**

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a "Request to Speak" form which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. ACTION ITEM

A. SAWPA CELESTE CANTÚ RETIREMENT EVENT

2. CONSENT ITEM

A. ADOPTION OF RESOLUTION NO. 2017-6-12, COMMENDING COUNCIL MEMBER GLENN DUNCAN FOR HIS 25 YEARS OF SERVICE WITH THE CITY OF CHINO

3. WORKSHOPS

A. ENERGY MANAGEMENT PLAN WORKSHOP #2


B. ENGINEERING AND CONSTRUCTION MANAGEMENT PROGRAM UPDATES

4. ADJOURN

*A Municipal Water District

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary (909) 993-1736, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Declaration of Posting

Proofed by: 

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency's main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, July 1, 2017.



April Woodruff

**ACTION
ITEM**

1A

Date: June 7, 2017
To: The Honorable Board of Directors
From: P. Joseph Grindstaff *PJG*
General Manager
Subject: SAWPA Celeste Cantú Retirement Event

RECOMMENDATION

It is recommended that the Board of Directors contribute up to \$2,000 towards the Santa Ana Watershed Project Authority (SAWPA) event to recognize General Manager Celeste Cantú, who will be retiring after 10 years of service.

BACKGROUND

During her tenure as General Manager of SAWPA, Ms. Cantú's visionary leadership brought statewide recognition to SAWPA's One Water One Watershed (OWOW), an integrated regional watershed plan to solve problems on a regional scale and give all water stakeholders a voice in the planning process. As a member of the SAWPA, Joint Powers Authority (JPA), Inland Empire Utilities Agency, along with other JPA members were asked to contribute to a retirement event honoring SAWPA's General Manager Celeste Cantú. All costs not covered by private and third party donations will be asked to be funded equally by all member agencies of an amount not-to-exceed \$2,000.

The Agency's General Counsel confirmed the Board has discretionary authority on what constitutes a public purpose and contribute a reasonable amount. Supporting an event to commemorate an employee's years of public service will help to ensure continued recruitment and retention of qualified and competent employees (*Jarvis v. Cory*, 28. Cal.3d 562, 578).

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

If approved, the Agency's contribution will be supported by the General Manager's contingency fund.

**CONSENT
CALENDAR
ITEM**

2A

Date: June 7, 2017

To: The Honorable Board of Directors

From: P. Joseph Grindstaff *PJG*
General Manager

Subject: Adoption of Resolution No. 2017-6-12, Commending Council Member Glenn Duncan for his 25 Years of Service with the City of Chino

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 2017-6-12, commending Council Member Glenn Duncan for his 25 years of public service with the City of Chino.

BACKGROUND

Council Member Glenn Duncan was elected to the Chino City Council in 1992, and has represented the City of Chino on various committees including the Ontario Airport Noise Abatement Strategy Committee, Water Facilities Authority, Southern California Association of Governments, League of California Cities-Legislative Task Force, West Valley Vector Control, and San Bernardino County Employees' Retirement Association Board of Directors. Council Member Duncan has also served as Council Liaison to the Chino Valley Fire District, Chino Valley Unified School District, Planning Commission, and the Chino Valley Chamber of Commerce.

Council Member Duncan has founded and served as President of FTS Financial Services, where he was a Financial Consultant. Council Member Duncan is committed to giving back to the Chino Community by having served as President of the Chino Neighborhood House, President of the Rotary Club of Rancho del Chino, and Treasurer and Finance Committee Chairman of the Chino Valley YMCA Board of Directors.

This Resolution will be formally presented, along with best wishes, to Council Member Glenn Duncan at his Retirement Luncheon on Thursday, June 15, 2017.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

RESOLUTION NO. 2017-6-12

RESOLUTION OF THE BOARD OF DIRECTORS OF INLAND EMPIRE UTILITIES AGENCY*, SAN BERNARDINO COUNTY, CALIFORNIA, COMMENDING COUNCIL MEMBER GLENN DUNCAN FOR 25 YEARS OF SERVICE WITH THE CITY OF CHINO

COUNCIL MEMBER GLENN DUNCAN

WHEREAS, Council Member Glenn Duncan is retiring from the City of Chino after 25 years of exemplary service; and

WHEREAS, Council Member Glenn Duncan was elected to the Chino City Council in 1992; and

WHEREAS, Council Member Glenn Duncan has represented the City of Chino on various committees including the Ontario Airport Noise Abatement Strategy Committee, Water Facilities Authority, Southern California Association of Governments, League of California Cities-Legislative Task Force, West Valley Vector Control, and San Bernardino County Employees' Retirement Association Board of Directors; and

WHEREAS, Council Member Glenn Duncan has also served as Council Liaison to the Chino Valley Fire District, Chino Valley Unified School District, Planning Commission, and the Chino Valley Chamber of Commerce; and

WHEREAS, Council Member Glenn Duncan has founded and served as President of FTS Financial Services, where he was a Financial Consultant; and

WHEREAS, Council Member Glenn Duncan is committed to giving back to the Chino Community by having served as President of the Chino Neighborhood House, President of the Rotary Club of Rancho del Chino, and Treasurer and Finance Committee Chairman of the Chino Valley YMCA Board of Directors; and

WHEREAS, Council Member Glenn Duncan is a devoted husband to his wife, Cindy and a loving father to their children and grandchildren.

NOW, THEREFORE, BE IT RESOLVED, that the Inland Empire Utilities Agency's Board of Directors does hereby publicly extend its most sincere appreciation to Council Member Glenn Duncan for his 25 years of dedicated service as a Council Member of the City of Chino. His exemplary work ethic and dedication to the City and the residents of Chino are to be commended.

ADOPTED this 7th day of June, 2017.

Steven J. Elie, President of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

ATTEST:

Jasmin A. Hall, Secretary/Treasurer of the
Inland Empire Utilities Agency* and of the
Board of Directors Thereof

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Jasmin A. Hall, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO
HEREBY CERTIFY that the foregoing Resolution being No. 2017-6-12, was adopted at a regular
Board Meeting on June 7, 2017, of said Agency by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Jasmin A. Hall
Secretary/Treasurer of the Inland Empire
Utilities Agency* and of the Board of
Directors thereof

*A Municipal Water District

WORKSHOP

3A

Energy Management Workshop #2

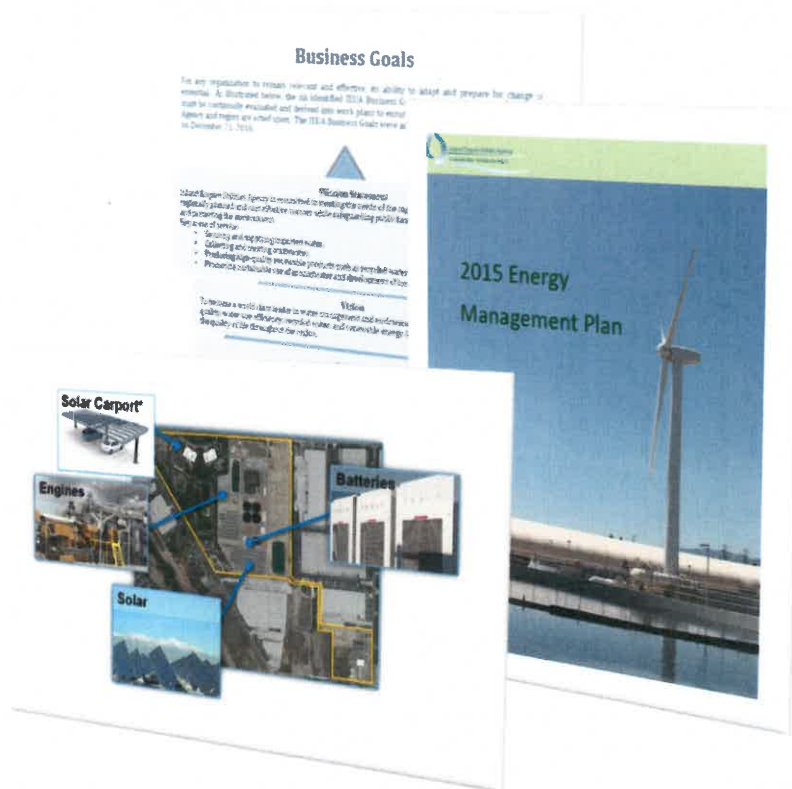
Long Term Planning: RP-1



June 2017

Energy Management Workshop #1 (April 2017)

- Goals and Objectives
- Energy Management Plan
- Long Term Planning RP-5



Energy Management

IEUA Mission Statement:

“... providing essential services in a regionally planned and cost effective manner...producing high-quality renewable products such as recycled water, compost and energy.”

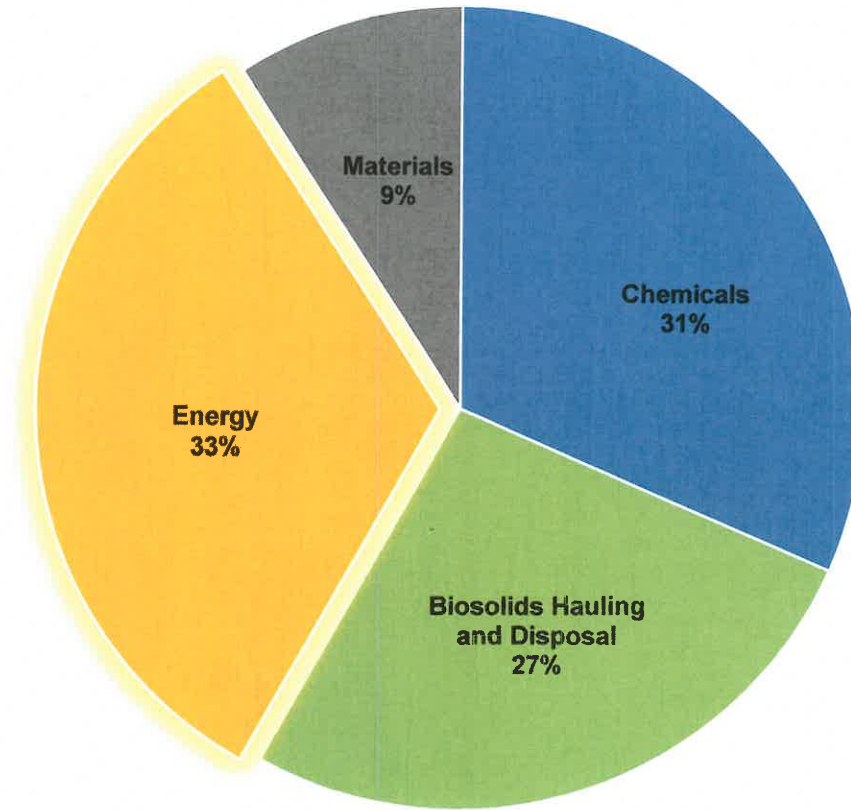
IEUA Business Goal, adopted December 2016:

“To **effectively manage energy resources** including renewable energy initiatives and programs to achieve statewide environmental and renewable energy goals, and stabilize future costs.”

Case Study – Regional Plant No. 1



RP-1 Non-Labor O&M Expenses – Fiscal Year 15/16

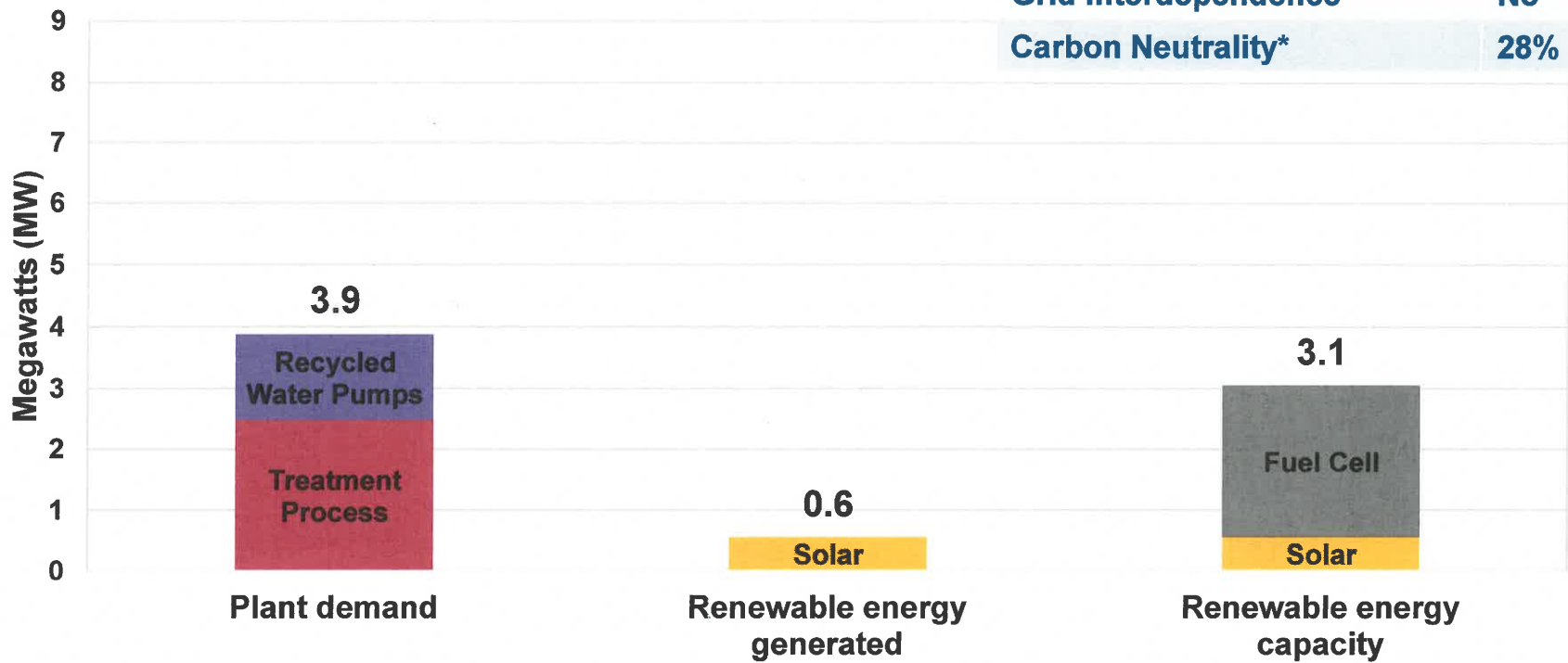


Existing Renewables at RP-1



Regional Plant No. 1 (Current, 24 MGD)

Goals	
Peak Power Independence	No
Grid Interdependence	No
Carbon Neutrality*	28%

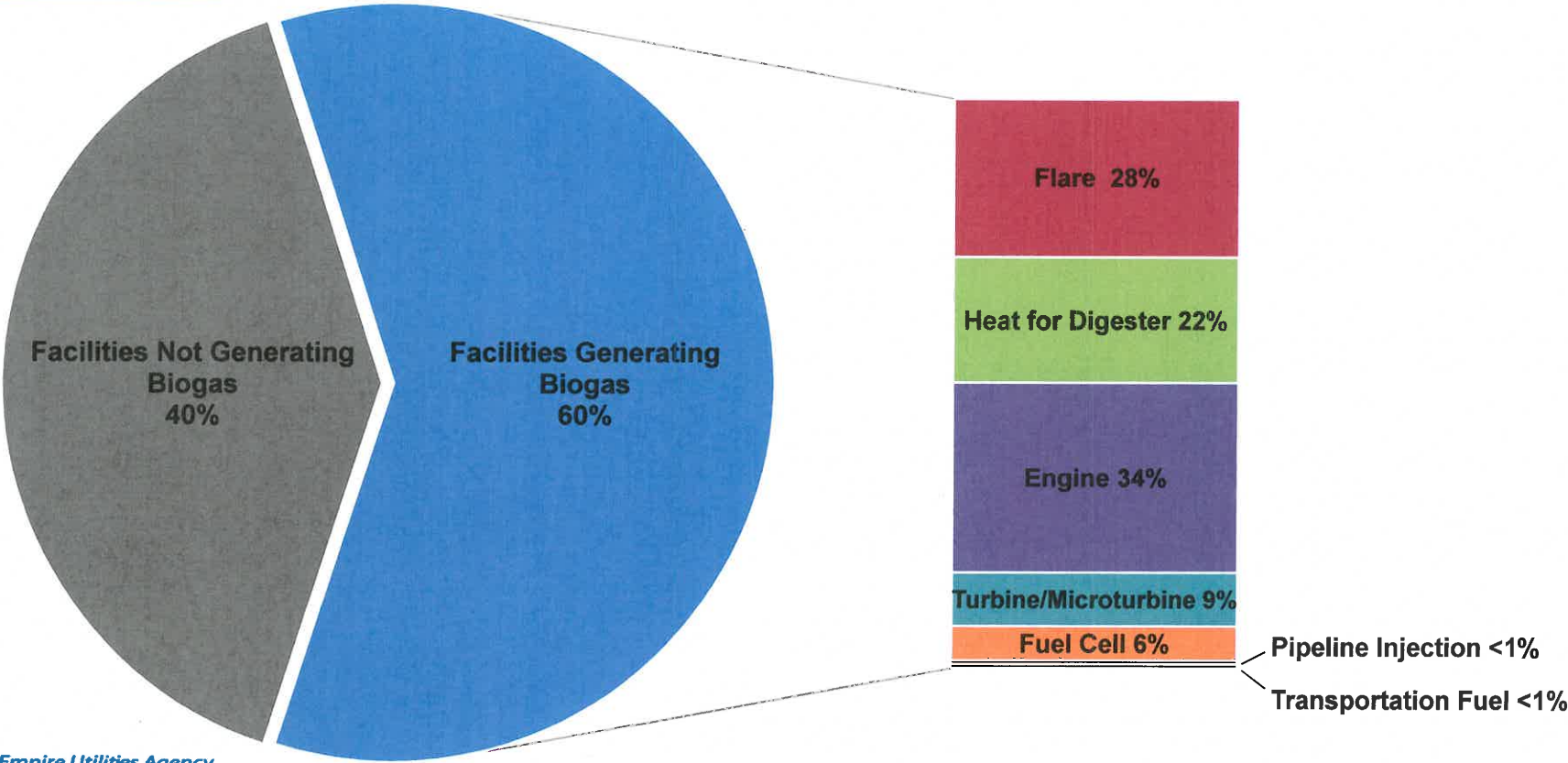


* Includes Renewable Portfolio from energy purchases (Shell)

Long Term Planning for RP-1

- RP-1 plant capacity recovery to 40 MGD
 - Start of full design: Summer 2017
 - Ten Year Capital Improvement Plan (TYCIP) timeline: complete construction by 2030
 - Treatment processes included:
 - Membrane Bioreactor
 - Solids improvement
 - New odor control systems
 - Expect biogas production increase

California Wastewater Treatment Facilities Gas Production & Utilization*



Beneficial Use of Biogas at RP-1 (2030, 40 MGD)*



Option 1: Electricity Generation



Option 2: Transportation Fuel and/or Pipeline Injection to
Natural Gas Line

Beneficial Use of Biogas at RP-1 (2030, 40 MGD)*



Option 1: Electricity Generation

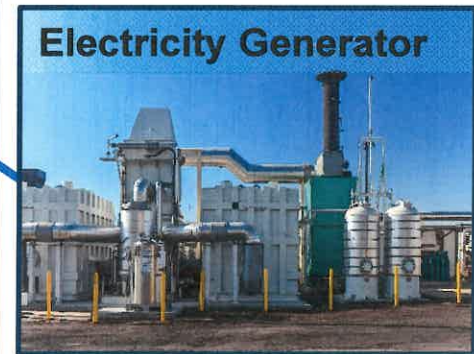
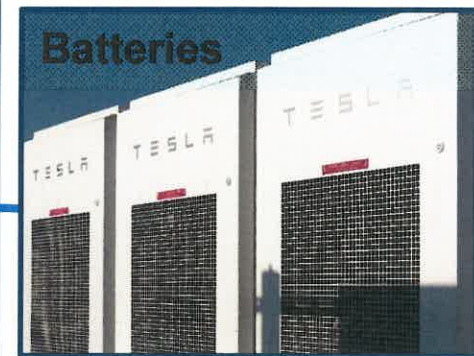
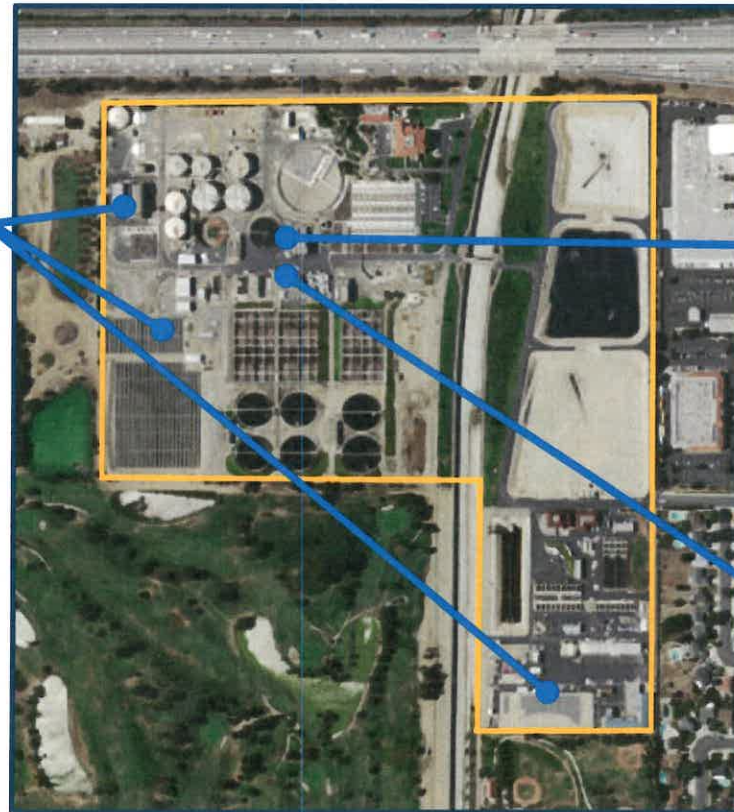


Option #1: Electricity Generation (2030, 40 MGD)

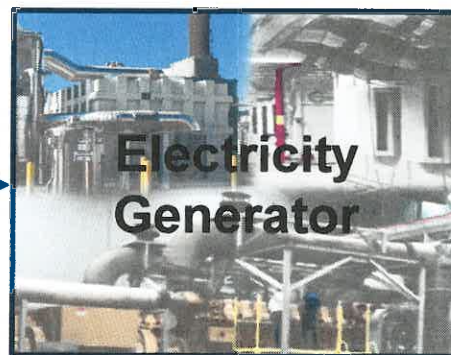
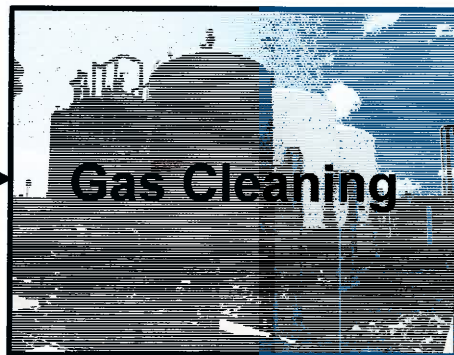
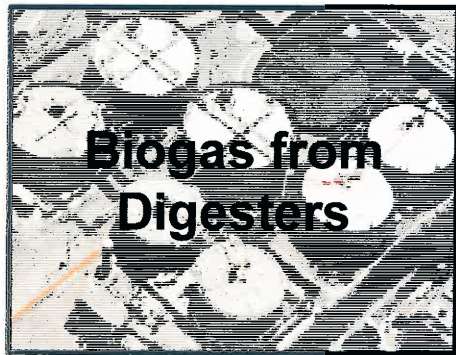
Examples of Electricity Generators



Option #1: Electricity Generation (2030, 40 MGD)



Option #1: Electricity Generation (2030, 40 MGD)



Power to
RP-1

Heat for
Plant Use

Option #1: Electricity Generation Considerations (2030, 40 MGD)

Pros

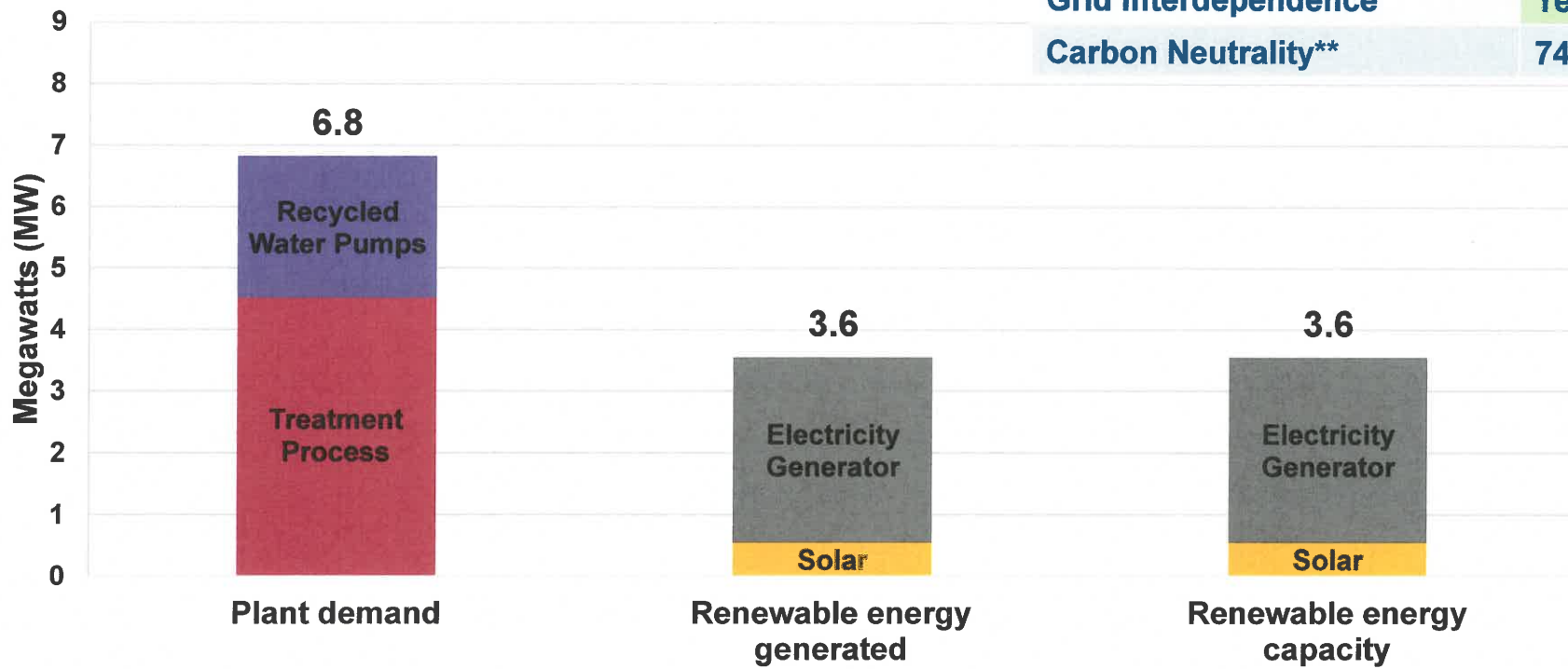
- Beneficial use of biogas (minimize flaring)
- Renewable energy source
- Contributes to meeting IEUA Energy Management Plan Initiatives

Cons

- Regulatory uncertainty from local air district
- Competitive energy market

Option #1: Electricity Generation with Energy Efficiency* (2030, 40 MGD)

Goals	
Peak Power Independence	No
Grid Interdependence	Yes
Carbon Neutrality**	74%

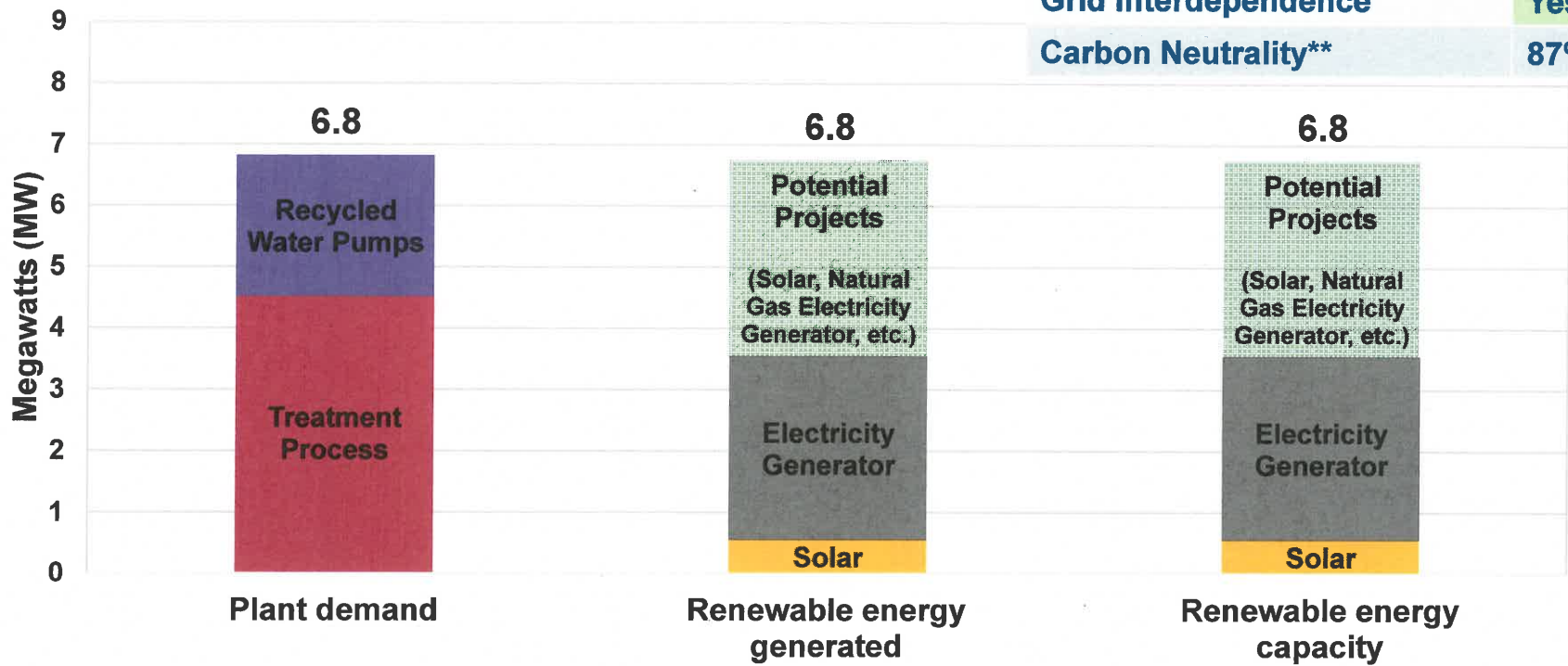


*Energy efficiency potentially achieved through potential treatment process optimization

** Includes Renewable Portfolio from energy purchases (Shell)

Option #1: Electricity Generation with Energy Efficiency* (2030, 40 MGD)

Goals	
Peak Power Independence	Yes
Grid Interdependence	Yes
Carbon Neutrality**	87%



*Energy efficiency potentially achieved through potential treatment process optimization

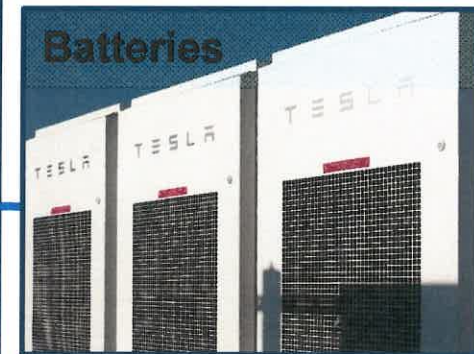
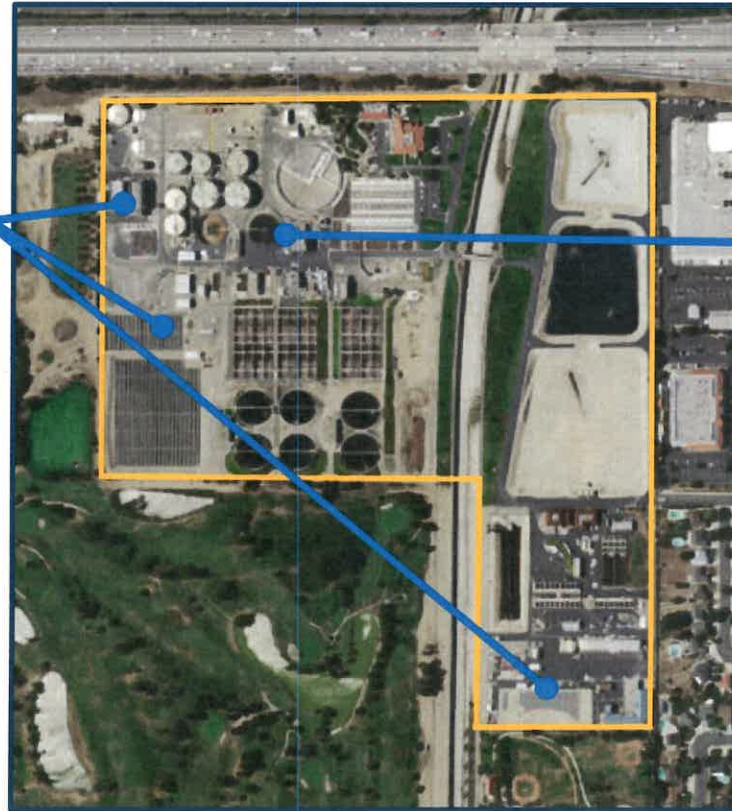
** Includes Renewable Portfolio from energy purchases (Shell)

Beneficial Use of Biogas at RP-1 (2030, 40 MGD)*



Option 2: Transportation Fuel and/or Pipeline Injection to Natural Gas Line

Option #2: Transportation Fuel and/or Pipeline Injection to Natural Gas Line (2030, 40 MGD)



Option #2: Transportation Fuel and/or Pipeline Injection to Natural Gas Line (2030, 40 MGD)



Renewable Natural Gas (RNG)

Transportation Fuel

Injection to Natural Gas Pipeline

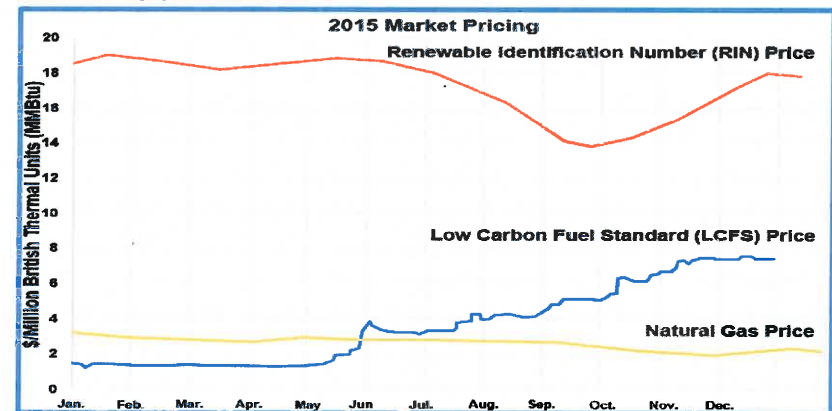
Option #2: Renewable Natural Gas (RNG)

Pros

- Environmental attributes
- Revenue stream to reinvest for onsite renewables
- Possible long term contracts
- 100% beneficial use of biogas (minimize flaring)
- Align with State and local air quality goals

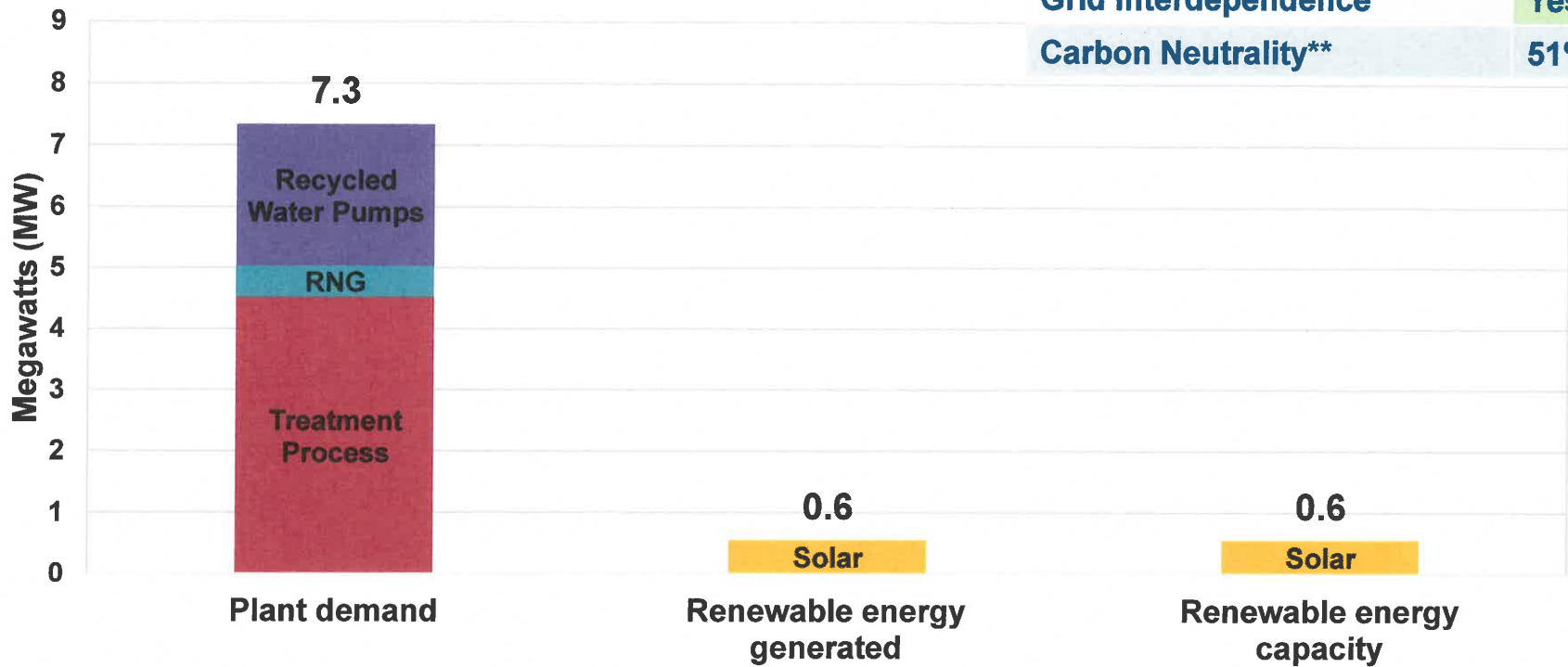
Cons

- Environmental attributes market volatility (risk)
- Does not contribute to meeting all IEUA Energy Management Plan Initiatives
- Energy Market Price



Option #2: RNG with Energy Efficiency* (2030, 40 MGD)

Goals	
Peak Power Independence	No
Grid Interdependence	Yes
Carbon Neutrality**	51%

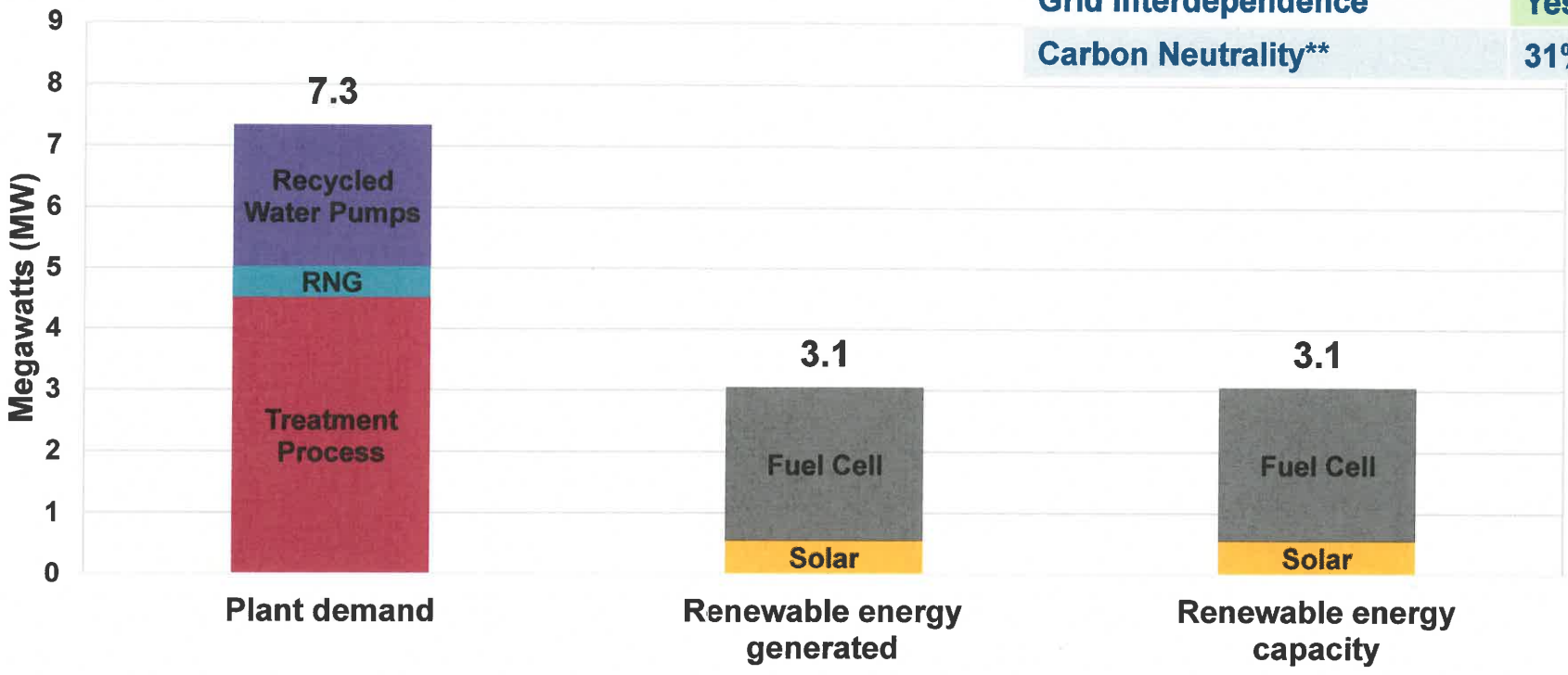


*Energy efficiency potentially achieved through potential treatment process optimization

** Includes Renewable Portfolio from energy purchases (Shell)

RNG and Purchase Natural Gas for Fuel Cell with Energy Efficiency* (2030, 40 MGD)

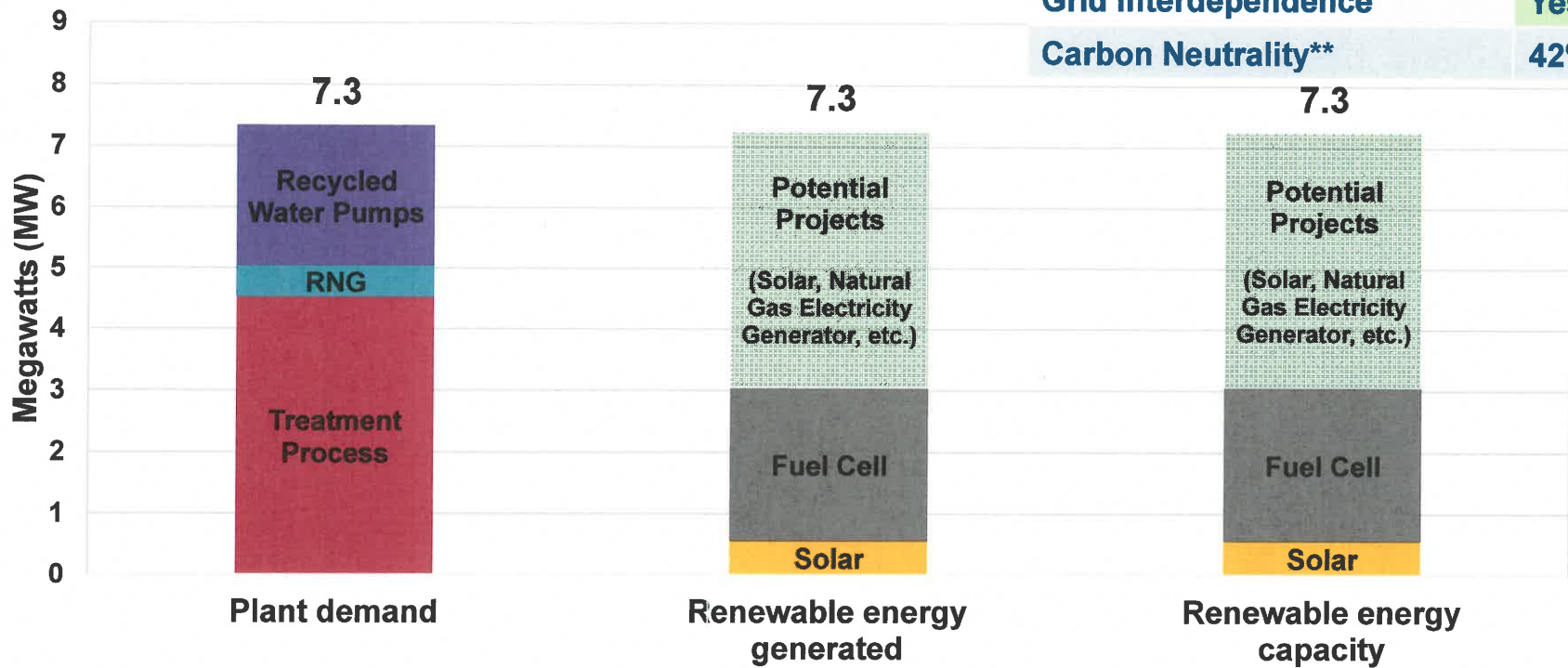
Goals	
Peak Power Independence	No
Grid Interdependence	Yes
Carbon Neutrality**	31%



*Energy efficiency potentially achieved through potential treatment process optimization
 ** Includes Renewable Portfolio from energy purchases (Shell)

RNG and Purchase Natural Gas for Fuel Cell with Energy Efficiency* (2030, 40 MGD)

Goals	
Peak Power Independence	Yes
Grid Interdependence	Yes
Carbon Neutrality**	42%

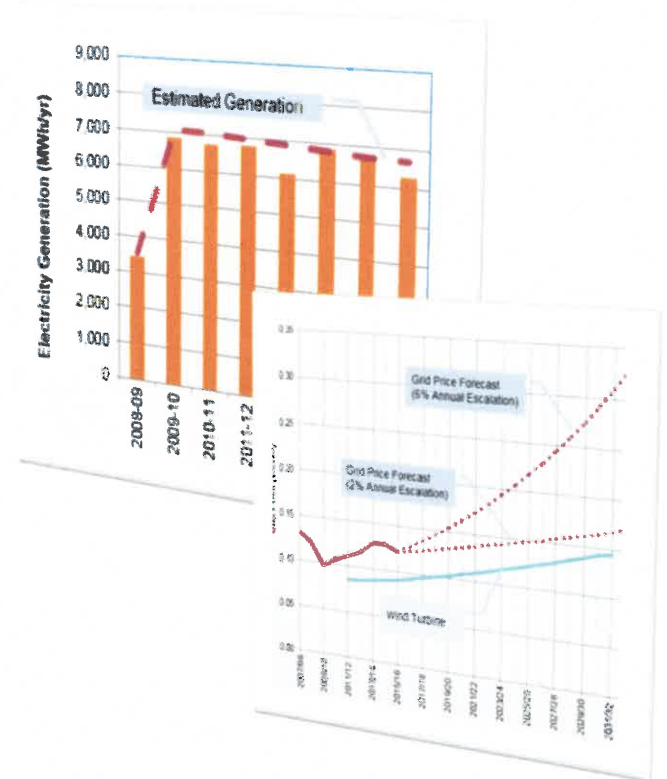


*Energy efficiency potentially achieved through potential treatment process optimization

** Includes Renewable Portfolio from energy purchases (Shell)

Next Steps

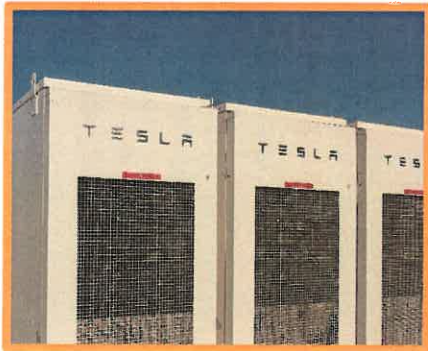
- Continue to pursue cost effective energy projects that meet Agency Goals
- RNG Feasibility Study – Public Private Partnership
- Provide annual energy update to the Board Update Energy Management Plan in 2018
- Research alternative renewable resources (onsite/partnerships, etc.)



WORKSHOP

3B

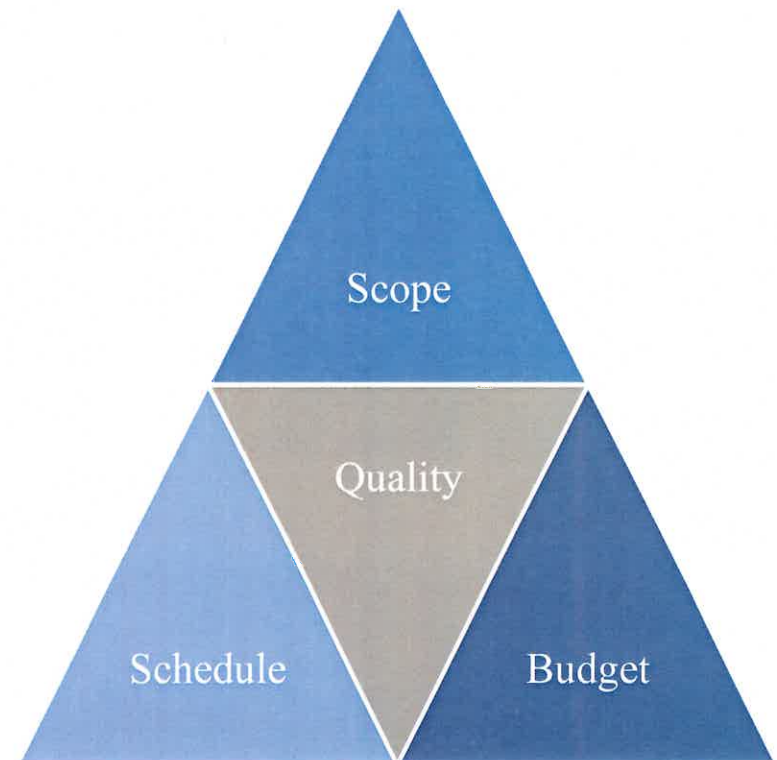
Engineering and Construction Management Program Updates



Department Drivers

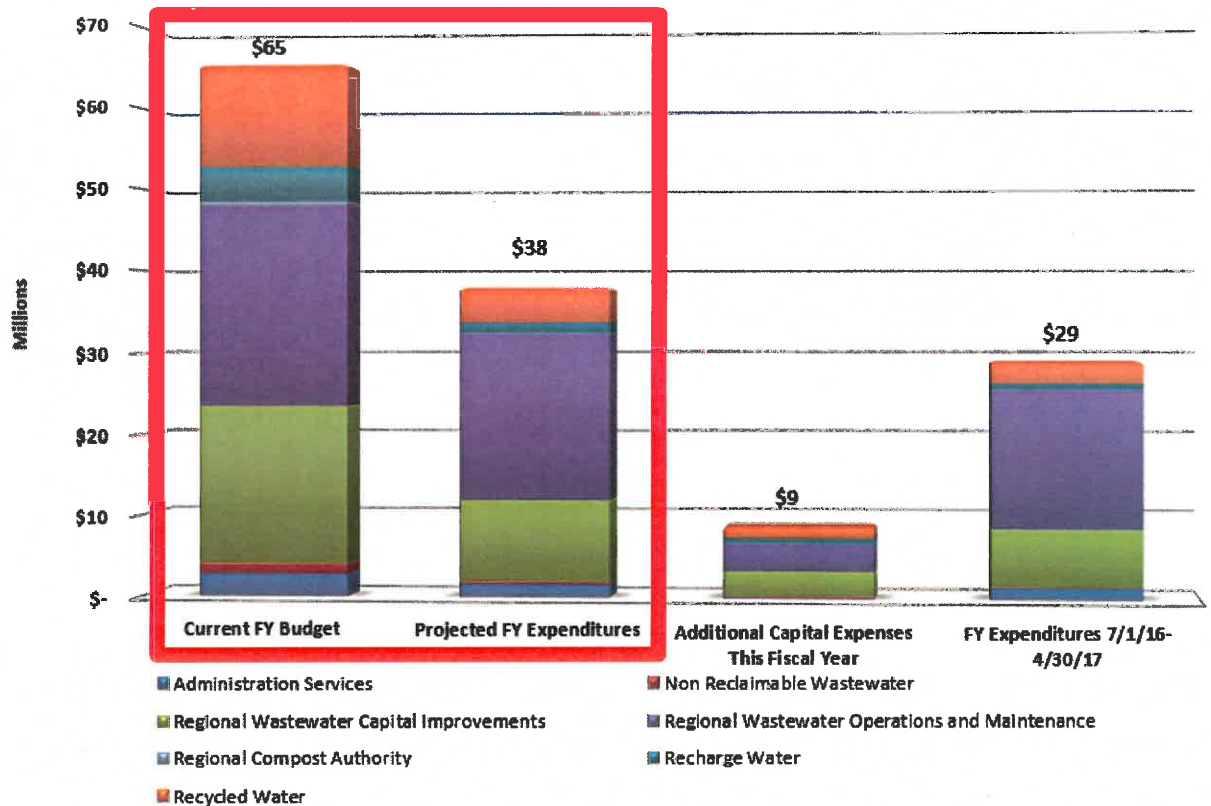
Our Guiding Light

- Implement IEUA's TYCIP
- Project Management (PM) from design through construction – PM Integration
- Compliance with the project's goal, approved plans, specifications, and standards
- Support Operations and Maintenance in minor construction, safety, and emergency projects



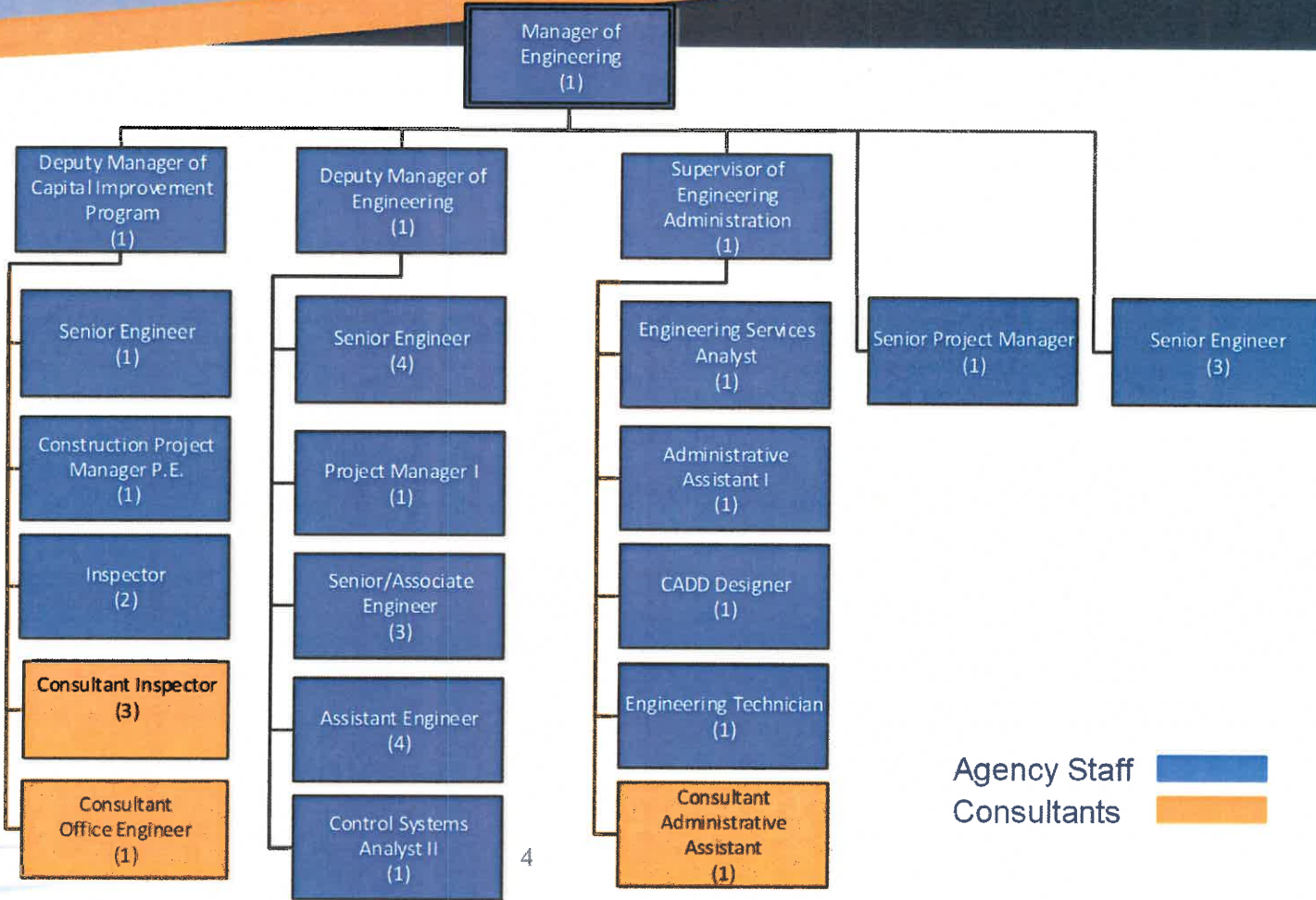
Current Capital Program Snapshot

- Ten Year Capital Improvement Budget: \$700M
- Current FY 2016/17 Budget: \$65M (120 Active)
 - Pre-Design/Design: 41
 - Construction: 21
 - Warranty: 12
 - Other: 46



Organization Chart

Manager: 1
 Supervisory Staff: 3
 Team Members: 33

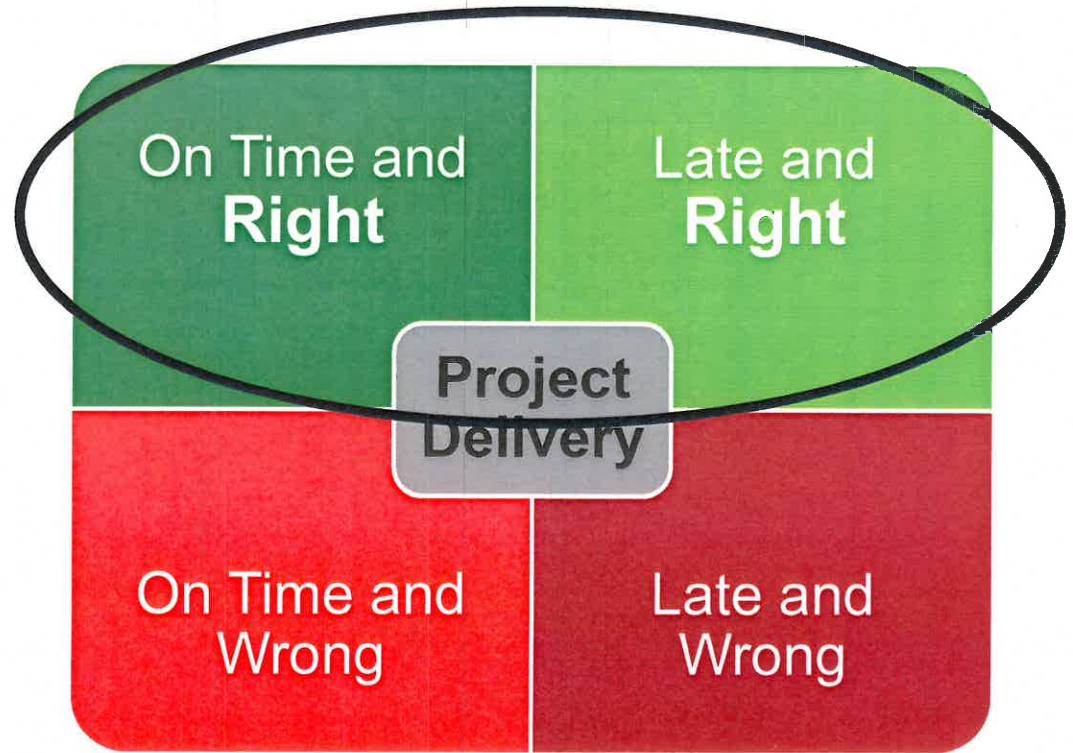
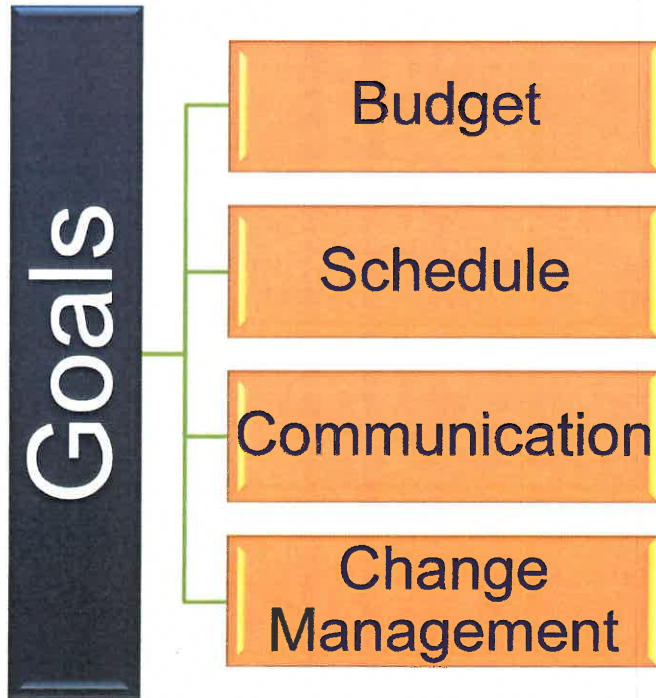


Agency Staff ■
 Consultants ■

Engineering Strategic Planning Update

- Project Management Documents
 - Charters
 - Change Management
- Staffing development
 - Project Management Institute professional certification **In Progress**
 - Full project management (design through construction) **In Progress**
 - Budget/Schedule integration **In Progress**
- Integrated non-traditional delivery methods
 - Prequalification
 - Design-Build
 - Minor Construction
 - Staffing Resources **In Progress**
- Building Relationships
 - Partnering with Contractors and Consultants

Program Goals



Project Creation

TYCIP/
Annual Budget

- Funded through approved TYCIP/Annual Budget

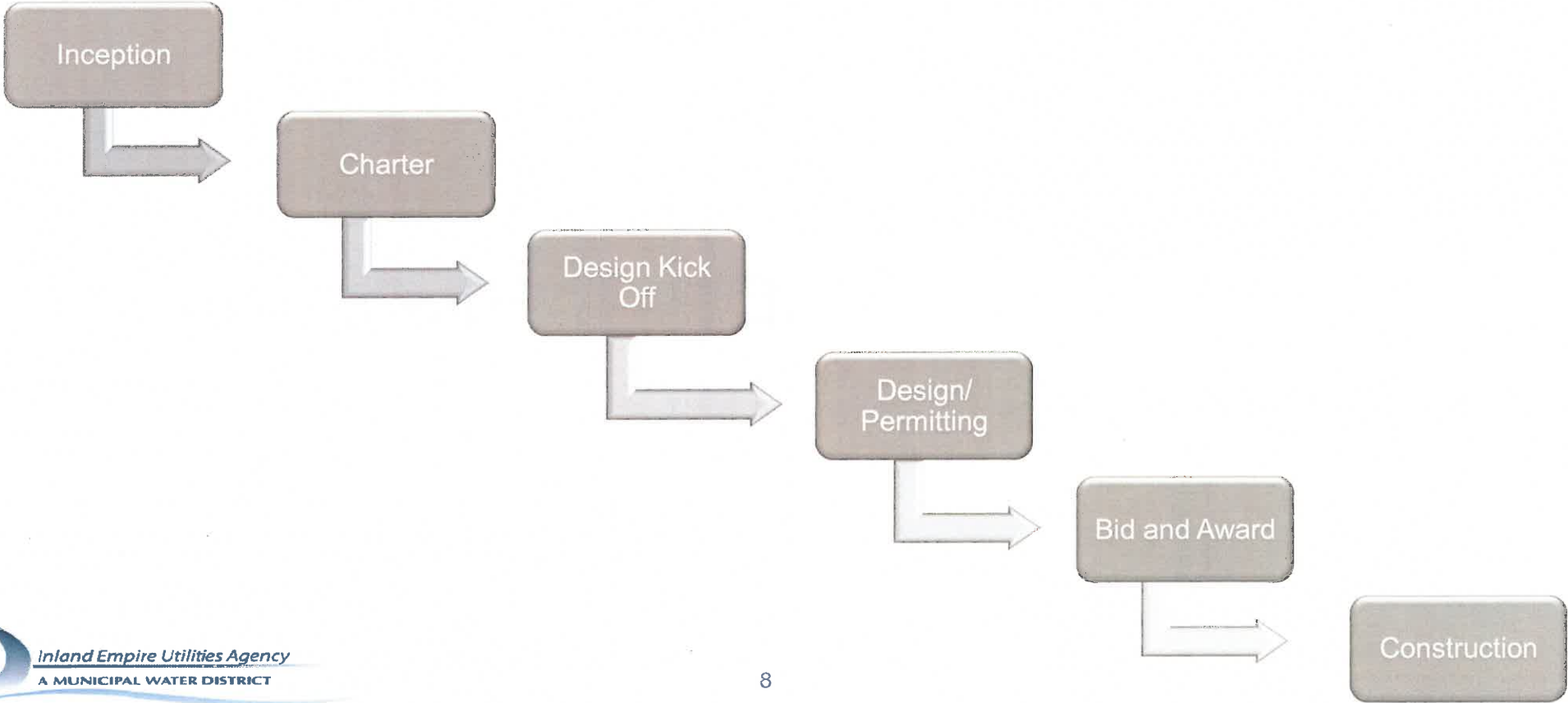
Operations and
Maintenance
Requests

- Funded through approved Fiscal Year appropriation

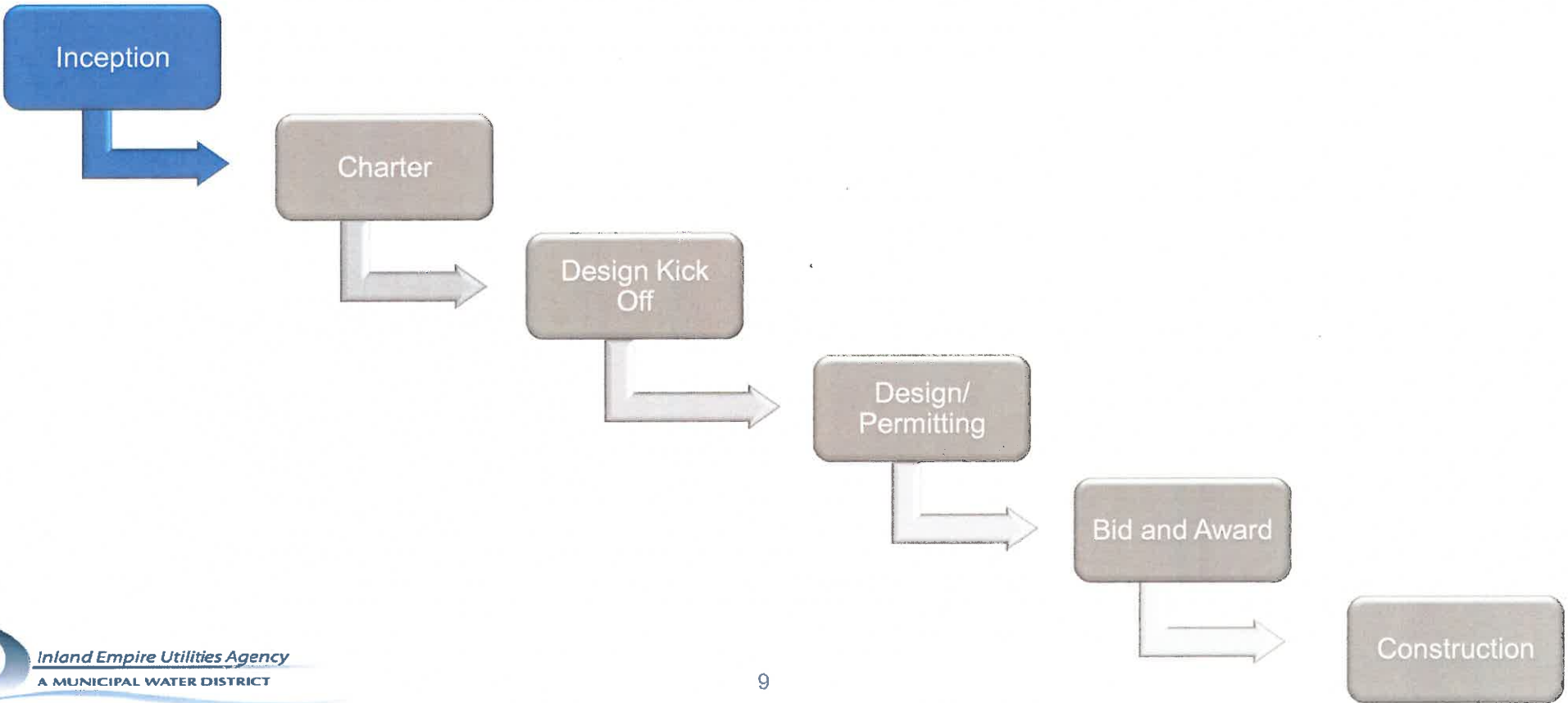
Emergencies

- Funded through FY Emergency Project budgets

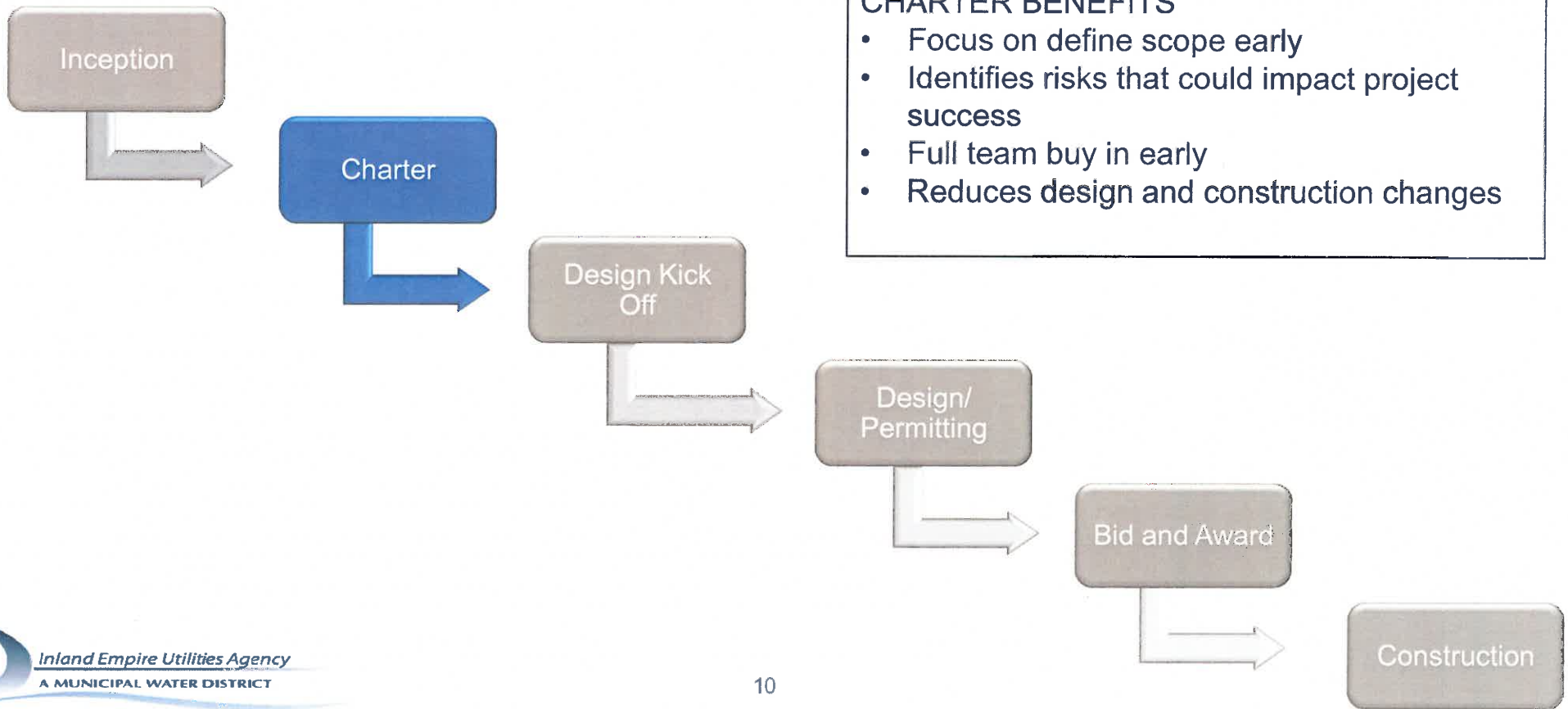
Project Phases



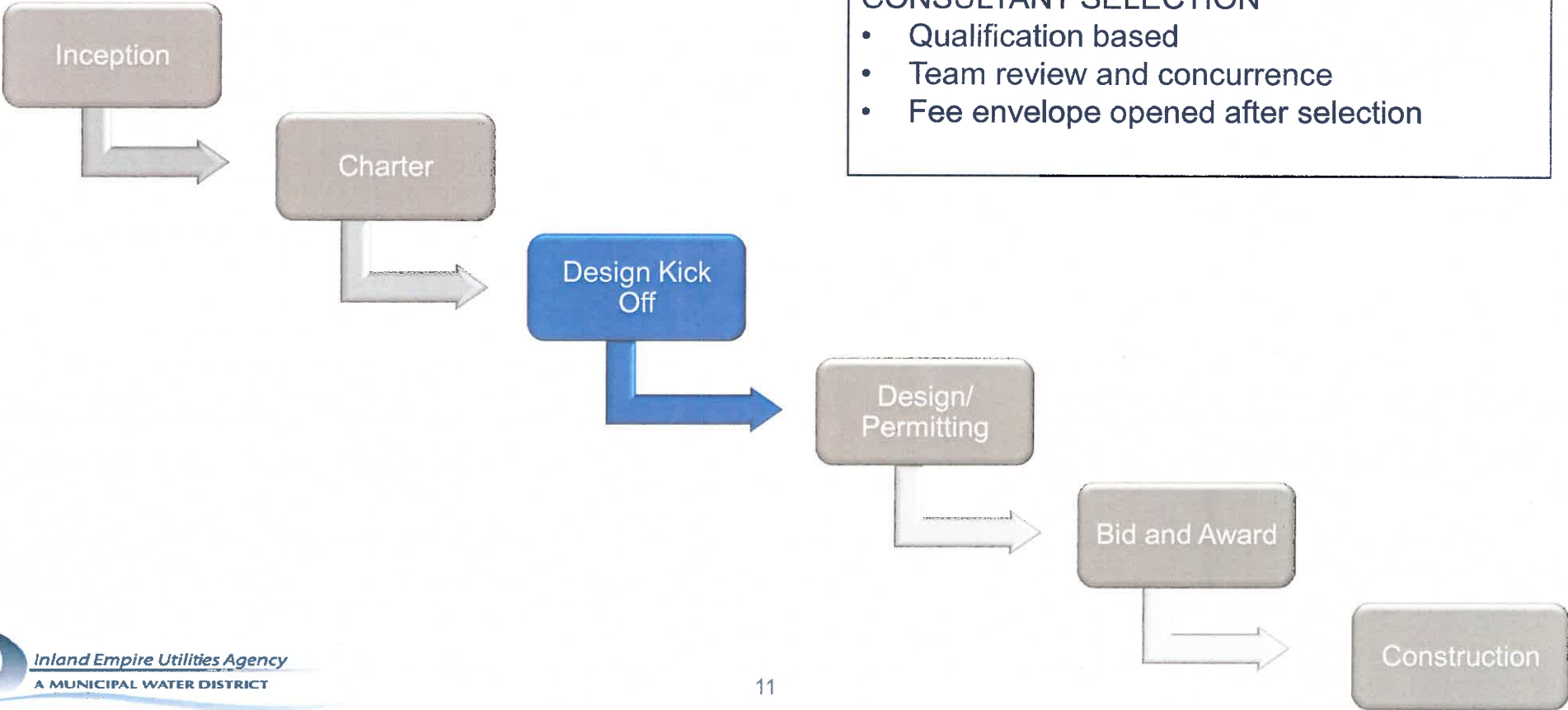
Project Phases



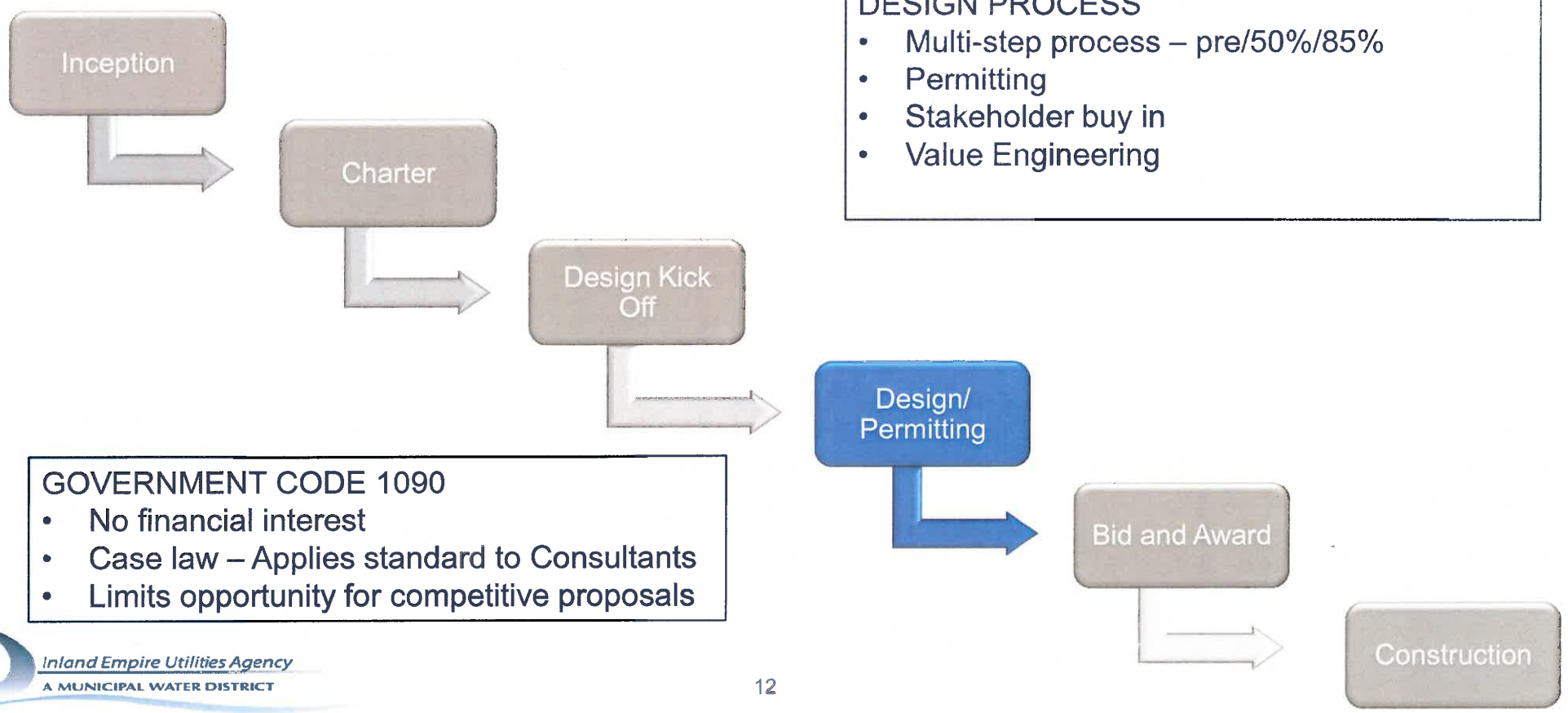
Project Phases



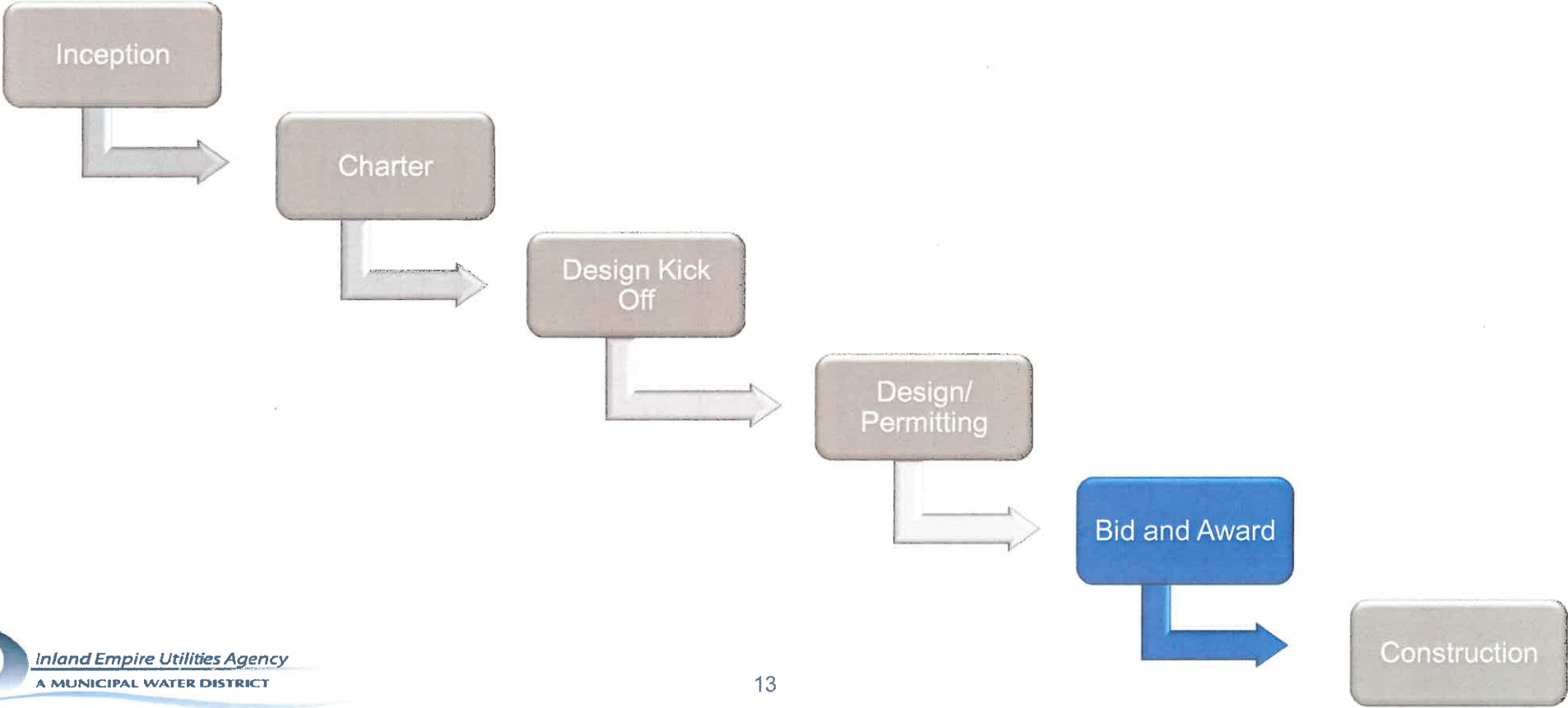
Project Phases



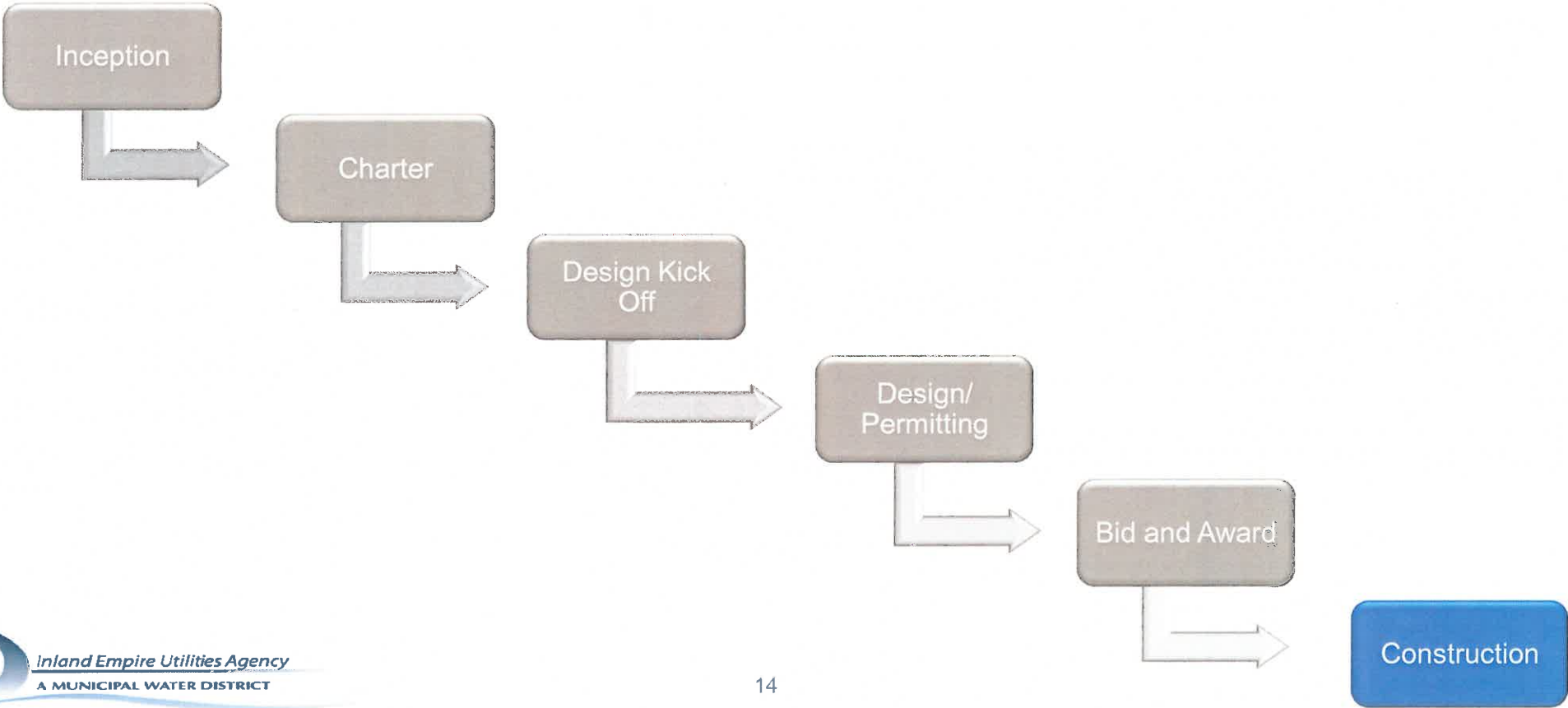
Project Phases



Project Phases



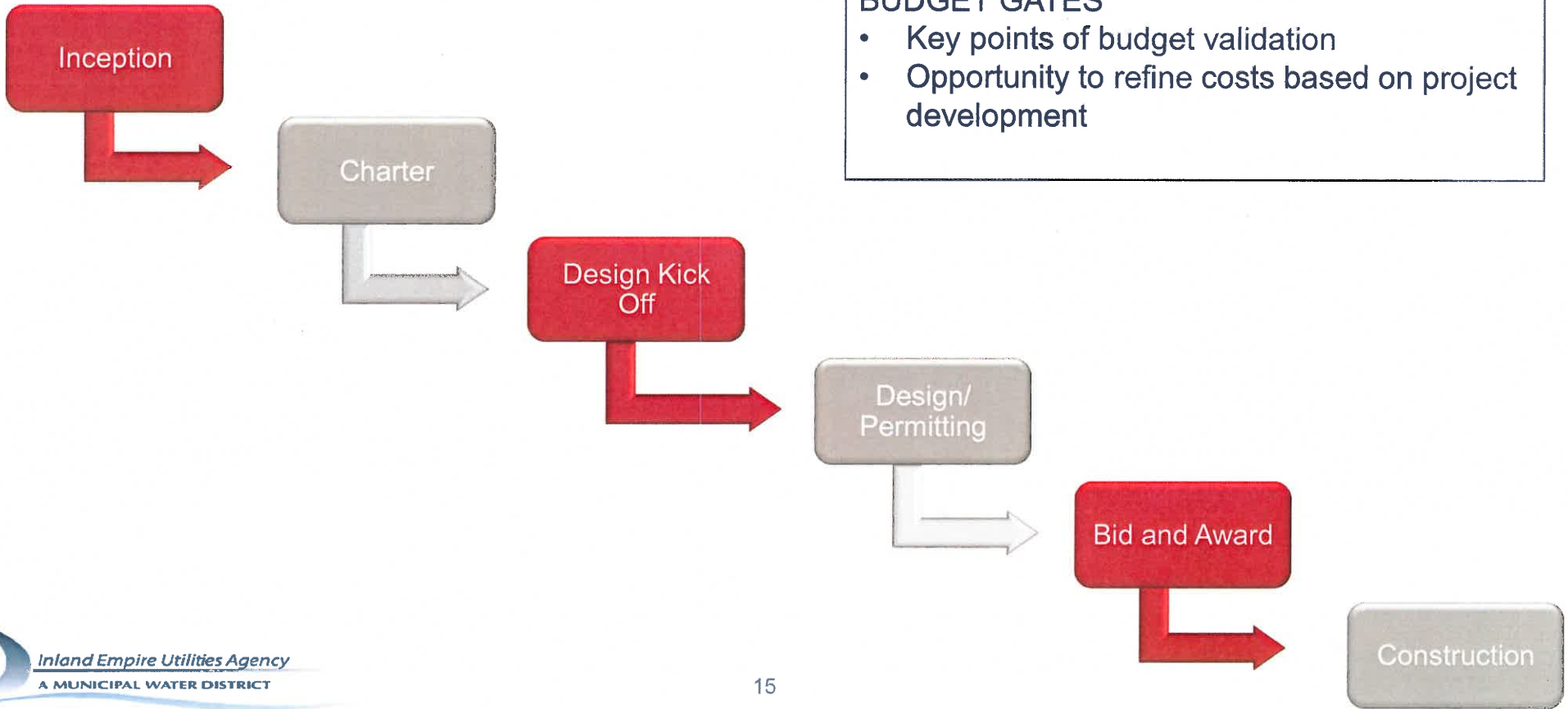
Project Phases



Project Phases – Budget Gates

BUDGET GATES

- Key points of budget validation
- Opportunity to refine costs based on project development



Engineering Strategic Planning - Next Steps

- Asset Management Plan
 - Integration with Ten Year Capital Improvement Plan
- Continuity of Documents
 - Front End Specifications
 - Design Consultant Request for Proposal
 - Design-Build Specification
- Board Goals for Engineering/Construction