



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

**WEDNESDAY, APRIL 5, 2017
10:00 A.M.**

DIRECTORS PRESENT:

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

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Joshua Aguilar, Senior Engineer
Christopher Berch, Executive Manager of Engineering/AGM
Kathy Besser, Executive Manager of External Affairs & Policy Development/AGM
Pietro Cambiaso, Supervisor – Environmental Compliance & Energy
Martha Davis, Executive Manager of Policy Development
Nel Groenveld, Manager of Laboratories
Jason Gu, Grants Officer
Randy Lee, Executive Manager of Operations/AGM
Sally Lee, Executive Assistant
Sylvie Lee, Manager of Planning & Environmental Resources
David Malm, Deputy Manager of Integrated Systems Services
Shaun Stone, Manager of Engineering
Christina Valencia, Chief Financial Officer/AGM
Teresa Velarde, Manager of Internal Audit
Duke Vu, Network Administrator
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Jean Cihigoyenette, JC Law Firm
Richard Spires, Learning Tree International

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 10:03 a.m. and 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.

WORKSHOPS

CYBER SECURITY TRAINING

Deputy Manager of Integrated Systems Services David Malm introduced Richard Spires from Learning Tree International. He was a Chief Information Officer for the Department of Homeland Security and currently the CEO of Learning Tree International. Mr. Spires gave an overview of Cyber Security. He explained why the threat of a major security breach is one of a company's greatest risks. He provided baseline knowledge of cyber security issues, highlighted that, cyber security is a risk management problem, explained the Board's and Executive Managers' responsibilities regarding cyber security, and the tools to help implement an effective governance structure. Discussion ensued about cloud based storage security, the definition and dangers of social engineering, examples of ransomware attacks, the possibilities of physical damage from cybersecurity breaches, testing of the cyber security system, vetting of testers of cyber security systems, planning for further education and preparation by the Board on cyber security, securing vendors so that they do not cause the Agency to be at risk of a breach, preparation planning in case there is a breach, and cyber security insurance.

ENERGY MANAGEMENT WORKSHOP #1

Executive Manager of Engineering/AGM Chris Berch introduced the Energy Management Workshop by stating that energy management is one of the key initiatives that the Agency has been working on for decades. Mr. Berch explained that this was the first part of a two-part series expounding on energy management at each of the Agency's facilities. Manager of Planning and Environmental Resources Sylvie Lee started by providing an overview of the Energy Management Plan. She stated that the Agency looks at proper efficient operation, how to improve the containment of the labor cost, forecasts trends, and endeavors to limit the increase in cost. The Agency has endeavored to be self-sufficient, increase the opportunities for renewable sources, contain costs, and be environmentally responsible. The Agency always factors in energy in the planning of the new projects at the different plants, anticipating new regulations that may be implemented, and how the Agency's energy goals can be continued to be met.

Supervisor of Environmental Compliance and Energy Pietro Cambiaso expounded on the 5 main energy management objectives – peak power independence, grid interdependence, organics diversion, carbon neutrality, and energy efficiency. He explained that the objective of peak power independence is to use only on-site generation and to not purchase any electricity from the grid during peak energy use, and peak pricing periods, which is from 12 pm to 6 pm during the summer season. This goal may be achieved through a combination of energy efficiency projects, effective load management, diversified energy portfolio, and on-site generations like solar. Mr. Cambiaso stated that on the relationship between Southern California Edison and the Agency and the changing trends in electrical loads in California. He further explained how the biogas generated from the anaerobic digestion process would be beneficially used to meet IEUA's energy needs with the organics diversion initiative, which will divert food waste from landfills to IEUA's solids facilities. Member Agency's will be able to comply with the State's organic requirements and overall, this approach will reduce the potential greenhouse gas emission from landfill. While the peak power independence focus on on-site generation (renewable and non-renewable), the carbon neutrality initiative requires that all the electricity needs at IEUA's facility be met from renewable sources. That means optimization of biogas usage, and increased biogas production using food waste and diverted organics from landfill as a resource. Over the last few years IEUA has implemented several efficiency projects, that have reduced the electricity use by approximately 10%. Since IEUA energy needs are projected to grow, staff is committed to reduce energy usage by optimizing the facility operation.

Mr. Cambiaso stated that the RP-5 campus was evaluated as a case study. The existing renewable resources at RP-5 include: 2 x 1.5 Megawatts (MW) engines (using biogas generated from the RP-5 SHF), 1 MW of solar, and 500 kW battery storage. Under the current conditions, and during the winter season, most of the initiatives are met. During a typical summer day, including the recycled water pumping, the actual demand is higher than the electricity generated, the peak power independence goal is no longer met. Assuming 16 million gallons per day influent flow, the expected plant demand, with and without recycled water, is more than the expected renewable energy generation of 2.8 MW, and most of the goals will not be met. A combination of food waste digestion and energy efficiency projects will be necessary in 2025, in order to meet IEUA's goals and objectives.

Discussion ensued about the changes in energy trends in the future, if there are any energy use regulation by the State, energy produced by biogas, current energy costs, shift in focus toward energy storage, and the possible use of ammonia rather than dissolved oxygen to reduce the Agency's demand for energy.

CLOSED SESSION

The Board went into Closed Session at 11:40 a.m., A. PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION: General Manager

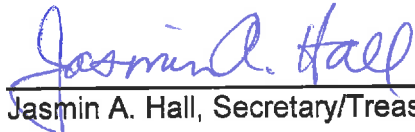
The meeting resumed at 12:10 p.m., and General Counsel Jean Cihigoyenette stated that the below-mentioned matters were discussed in Closed Session, and the Board took the following actions:

Regarding Personnel Matters – Public Employee Performance Evaluation:

General Manager

The Board took no reportable action.

With no further business, President Elie adjourned the meeting at 12:13 p.m.



Jasmin A. Hall, Secretary/Treasurer

APPROVED: MAY 17, 2017