

# **NOTICE OF MEETING**

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A REGULAR MEETING

OF THE

BOARD OF DIRECTORS

OF THE

**INLAND EMPIRE REGIONAL  
COMPOSTING AUTHORITY**

WILL BE HELD ON  
**MONDAY, MAY 3, 2021**  
**10:00 A.M.**

**TELECONFERENCE ACCESSIBILITY FOR THE GENERAL PUBLIC: In all efforts to prevent the spread of COVID-19, until further notice, the Inland Empire Regional Composting Authority will be holding all Board meetings by teleconferencing.**



**REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
MONDAY, MAY 3, 2021  
10:00 A.M.  
(Virtual Meeting)**

VIA - TELECONFERENCE  
[www.ierca.org/calendar](http://www.ierca.org/calendar)

**CALL TO ORDER  
OF THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY BOARD OF  
DIRECTORS 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.

**INFORMATIONAL**

**INTRODUCTIONS – RETIREMENTS**

Victoria Stone, Admin. Assistant II/IERCA Recording Secretary – 31 years (May 2021)

**1. CONSENT CALENDAR**

**A. MINUTES**

The Board will be asked to approve the minutes from the February 1, 2021 regular meeting.

**B. INVESTMENT AND DISBURSEMENT REPORT**

It is recommended that the Board of Directors approve for the months of January 2021 – March 2021:

1. Total disbursements the amount of \$ 2,350,725.74
2. There were no new investments during January 1, 2021 – March 31, 2021.

**2. ACTION ITEMS**

**A. ADOPTION OF BUDGET FOR FISCAL YEAR 2021/22**

It is recommended that the Board of Directors;

1. Adopt the Inland Empire Regional Composting Authority (IERCA) budget for fiscal year 2021/22;
2. Increase the tipping fee from \$57 to \$58 per wet ton; and
3. Approve a capital call of \$2 million to be shared equally by the Inland Empire Utilities Agency (IEUA) and Los Angeles County Sanitation Districts (LACSD) to support capital improvement project costs and meet the minimum reserve balance, as needed.

**B. ANNUAL MANAGEMENT PLAN**

It is recommended that the Board of Directors approve the Fiscal Year 2021/22 Annual Management Plan.

**C. MASTER SERVICE AGREEMENT WITH RDO EQUIPMENT COMPANY**

It is recommended that the Board of Directors:

1. Approve a Master Service Agreement with RDO Equipment Company (RDO) to provide parts, service, and equipment rental in support of the IERCF mobile equipment fleet and stationery trommel screens from an annual not-to-exceed \$325,000.

2. Authorize the IEUA Manager of Contracts and Procurement to finalize and execute the purchase agreement.

**D. ADOPTION OF DEPOSITORY AGREEMENT AND INVESTMENT FUND SIGNATORY RESOLUTIONS**

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2021-5-1, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds.
2. Adopt Resolution No. 2019-5-2, authorizing participation in the Local Agency Investment and designating signatories for the deposit and withdrawal of funds.

**E. ADOPTION OF THE INVESTMENT POLICY FOR FY 2021/22**

It is recommended that the Board of Directors adopt Resolution No. 2021-5-3, approving the Authority's Investment Policy for FY 2021/22.

**F. FINISHED COMPOST TRANSPORTATION SERVICE**

It is recommended that the Board of Directors:

1. Approve a five-year contract with two one-year renewal options with Viramontes Express, Inc. and with Eggleton Trucking, Inc. for compost transportation services for an annual total of up to \$250,000 each; and
2. Authorize the Project Manager to finalize and execute the contracts.

**G. PURCHASE OF WHEEL LOADER AND BUDGET AMENDMENT**

It is recommended that the Board of Directors:

1. Approve the purchase of one Liebherr L-566 wheel loader for approximately \$540,000 including taxes, delivery, warranty;
2. Approve a budget amendment for \$40,000; and,
3. Authorize the IEUA Manager of Contracts and Procurement to finalize and execute the agreement.

**3. INFORMATION ITEMS**

**A. PROJECT MANAGER'S REPORT**

**B. TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED MARCH 31, 2021**

**4. DIRECTOR COMMENTS**

Next regular meeting is scheduled for Monday, August 2, 2021 at 10:00 a.m.

**5. ADJOURN**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Recording Secretary (909-993-1744), 48 hours prior to the scheduled meeting so that the Authority can make reasonable arrangements.

**Declaration of Posting**

I, Victoria Stone, Recording Secretary to the Inland Empire Regional Composting Authority, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the County Sanitation Districts of Los Angeles 1955 Workman Mill Road, Whittier, CA and at the IERCA's Administrative Building, 12645 Sixth Street, Rancho Cucamonga, CA and at the IEUA's main office, 6075 Kimball Ave., Chino, CA on Tuesday, April 27, 2021

\_\_\_\_\_  
Victoria Stone, Recording Secretary

**CONSENT  
CALENDAR  
ITEM**

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)  
FEBRUARY 1, 2021  
VIA - TELECONFERENCE  
10:00 A.M.**

**DIRECTORS PRESENT via Video/Teleconference:**

Jon Blickenstaff, Chairperson  
Paul Hofer, Vice Chairperson  
Shivaji Deshmukh, Director  
Margaret Finlay, Director  
Robert Ferrante, Director  
Jasmine A. Hall, Director

**DIRECTORS ABSENT:**

None

**OTHERS PRESENT via Video/Teleconference:**

Jeff Ziegenbein, Project Manager, IERCA  
Mike Sullivan, Assistant Project Manager, IERCA  
Christina Valencia, Treasurer, IERCA  
Marty Cihigoyenette, General Counsel  
Randy Lee, Executive Manager of Operations/AGM, IEUA  
Christiana Daisy, Executive Manager of Engineering/AGM, IEUA  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting, IEUA  
Denise Garzaro, Board Secretary/Office Manager, IEUA  
Jeanina Romero, Executive Assistant Operations, IEUA  
Matt Bao, Supervising Engineer, LACSD  
Victoria Stone, Recording Secretary, IERCA

A regular meeting of the Board of Directors of the IERCA was held at the Inland Empire Utilities Agency Headquarters building located at 6075 Kimball Ave, Chino CA, **via Video/Teleconference** on the above date.

**CALL TO ORDER**

Chairperson Blickenstaff called the meeting to order at 10:01 a.m. and he led the pledge of allegiance. A quorum was present.

**INTRODUCTIONS**

Chairperson Blickenstaff stated that members of the public may address the Board. There were no persons desiring to address the Board of Directors.

**PUBLIC COMMENT**

There were no public comments.

**ADDITIONS TO THE AGENDA**

There were no additions to the agenda.

**INTRODUCTION OF NEW HIRE**

Mr. Ziegenbein, Project Manager introduced Marcus Coulombe, Compost Sales Representative stating that Marcus joins the team with many years of sales experience.

**ELECTION OF OFFICERS**

Chairman Blickenstaff turned the meeting over to Mr. Cihigoyenette, General Counsel who reviewed the process to annually elect a Chairperson and Vice Chairperson for the IERCA Board. Mr. Cihigoyenette opened the floor for nominations.

Director Finlay nominated Director Blickenstaff as Board Chairman. Director Blickenstaff accepted this nomination and thanked the Board.

Upon motion by Director Finlay, seconded by Director Hall the motion carried:

**M2021-2-1**  
The Board:  
  
Elected Blickenstaff as Chairperson of the Board.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Hofer, Finlay, Hall  
Noes: None  
Absent: Ferrante  
Abstain: None

Director Hall nominated Director Hofer as Vice Chairperson. Director Hofer accepted this nomination and thanked the Board.

**M2021-2-2**  
The Board:  
  
Elected Hofer as Vice Chairperson of the Board.

Upon motion by Director Hall, seconded by Director Finlay the motion carried:

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Hofer, Finlay, Hall  
Noes: None  
Absent: Ferrante  
Abstain: None



**CONSENT CALENDAR**

Upon motion by Director Deshmukh seconded by Director Hall the motion carried:

**M2021-2-3**

The Board:  
Approved the Consent Calendar.

1. Minutes from the November 2, 2020, regular meeting of the Board of Directors.
2. The Investment and Disbursement Report as submitted.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Hofer, Finlay, Hall  
Noes: None  
Absent: Ferrante  
Abstain: None

Director Ferrante joined the meeting at 10:10 a.m.

**APPOINTMENT OF ASSISTANT PROJECT MANAGER**

It was recommended that the Board of Directors appoint Mike Sullivan as the Assistant Project Manager of the Inland Empire Regional Composting Authority.

Upon motion by Director Finlay, seconded by Director Hall, the motion carried:

**M2021-2-4**

The Board:  
Approved appointment of Mike Sullivan as the Assistant Project Manager of the Inland Empire Regional Composting Authority.

With the following roll call vote:

Ayes: Blickenstaff, Hofer, Deshmukh, Ferrante, Hall, Finlay  
Noes: None  
Absent: None  
Abstain: None

The Board Congratulated Mr. Sullivan and welcomed him back as the Assistant Project Manager.

**ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020**

Ms. Valencia presented the Annual Financial Report for the Fiscal Year ended December 31, 2020. She provided some highlights stating that there were no changes in tipping fees. She stated that there was a slight increase in operating expenses due to an increase in materials and supplies. She also stated that there was no need to increase the staffing levels. Also, there was no need to use the capital call.

Upon motion by Director Finlay, seconded by Director Hall, the motion carried:

**M2021-2-5**

The Board:

Approved the Inland Empire Regional Composting Authority (IERCA/Authority) Annual Financial Report for the Fiscal Year ended June 30, 2020, as presented; and

Directed staff to distribute the report as appropriate, to the various federal, state and local agencies, financial institutions, and other interested parties

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall  
Noes: None  
Absent: None  
Abstain: None

**ON-CALL CONSTRUCTION SERVICE CONTRACTORS**

Mr. Ziegenbein discussed the facility's need for on-call construction services stating that staff did a Request for Proposal through PlanetBids online solicitation system to find qualified contractors. Three proposals were received from the following contractors: R&S Industrial Field Services, Innovative Construction Solutions (ICS), and Hemet Manufacturing, dba Genesis Construction. He stated that after a thorough review of the responses staff determined that R&S Field Services (R&S) and Innovative Construction Solutions (ICS) were sufficiently qualified and therefore awarded each of them a contract.

Upon motion by Director Hall, seconded by Director Finlay, the motion carried:

**M2021-2-6**

The Board:

Approved the awarding of Master Service Contracts with two as-needed/on-call construction service contractors for a not-to exceed annual aggregate amount of \$300,000 to be used as needed between both contractors; and

Authorized the Project Manager to finalize and execute the Contracts.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall  
Noes: None  
Absent: None  
Abstain: None

### **PROJECT MANAGER’S REPORT**

Mr. Ziegenbein summarized the project manager’s report stating that the facility’s throughput is at approximately 600 wet tons of biosolids and 300 wet tons of amendments per day representing full capacity. He continued to report that compost sales volumes have continued to match production, and the facility has maintained 100% compliance with permit regulations. Mr. Ziegenbein continued on to report that the facility has logged over 530 days with no lost time incidents and no recordable incidents or accidents in the past year and a half. Mr. Ziegenbein also reported that staff continues to follow guidelines to protect themselves from the impacts of COVID-19 and that there have been no illnesses related to the pandemic at the facility.

### **CAPITAL PROJECTS UPDATE**

Mr. Ziegenbein presented the Capital Projects update stating that the Compost Screening Plant No. 1 replacement project is still being refined. The screening drive system is working well but some modifications are required to extend the life of the screen cloth mesh, he also reported that the Wash Pad project is complete and staff is using the pad and staff comments have been positive.

### **TREASURER’S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED DECEMBER 31, 2020**

Ms. Valencia presented the quarterly report ending December 31, 2020 with total cash, investments and restricted deposits equaled \$2,404,661 showing a decrease of \$586,009 when compared to the September balance of \$2,990,667. The decrease was mainly due to banking process timing of the payments to IERCA issued in the last week of December, that will be reflected in January 2021.

### **DIRECTORS’ COMMENTS**

Director Hofer – Thanked the Board for the nomination of Vice Chairperson.

Director Hall – Good to be back on this Board,

Chairman Blickenstaff – Thanked the Board for the vote of confidence and said he was excited to serve as Chair for another year.

With no further business, Chairman Blickenstaff adjourned the meeting at 10:41 a.m.

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Victoria Stone, Recording Secretary

**APPROVED: May 3, 2021**


**CONSENT  
CALENDAR  
ITEM**




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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Christina Valencia  
Treasurer 

**Subject:** Investment and Disbursement Report

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### **RECOMMENDATION**

It is recommended that the Board of Directors approve for the months of January 2021 - March 2021:

1. Total disbursements in the amount of \$2,350,725.74.
2. There were no new investments during January 1, 2021 – March 31, 2021.

### **BACKGROUND**

The January – March 2021 disbursement activity includes check numbers 8644-8694 in the amount of \$241,392.64 for vendor payments. A detailed listing of the check register and electronic disbursements (ACH/Wire) is attached.

The total amount of ACH and Wire Transfer payments is \$ 2,109,333.10.

Payment Type	Checks From – To	Transactions	Total Amount
Check	8644-8694	51	\$ 241,392.64
ACH		167	\$ 2,108,029.10
Wire Transfer		1	\$ 1,304.00
<b>TOTAL</b>		<b>219</b>	<b>\$ 2,350,725.74</b>

### **PRIOR BOARD ACTION**

None.

Investment and Disbursement Report

May 3, 2021

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**IMPACT ON BUDGET**

The total cash and position of the Authority is reduced as a result of paying authorized expenditures.

Report: ZFIR TREASURER	Inland Empire Regional Composting	Page	1
For 01/01/2021 ~ 03/31/2021	Treasurer Report	Date	04/06/2021

Check	Payee / Description		Amount
008644	AMERICAN PRINTING & PROMOTIONS 50 Lunch Coolers	9953	657.22
	AMERICAN PRINTING & PROMOTIONS\$		657.22
008645	APPLIED INDUSTRIAL TECHNOLOGIE Wedge,Air Filters	7020440473	898.11
	Bluetooth Router,Sensor for Mounted Bear	7020491070	685.86
	APPLIED INDUSTRIAL TECHNOLOGIES\$		1,583.97
008646	BAKER ELECTRIC INC Labor PM N & S MCC	39023	19,244.00
	BAKER ELECTRIC INC	\$	19,244.00
008647	BURRTEC WASTE INDUSTRIES INC 12/20 Trash Service	N2111616329	1,298.88
	BURRTEC WASTE INDUSTRIES INC	\$	1,298.88
008648	CASHIER 2019 Fertilizing Material Reg	13396 2021	100.00
	Materials Mills Lic Reg Fee Renewal	648154 2021	221.25
	2021 Fertilizing Material Reg-Product-ID	106752 2021	50.00
	CASHIER	\$	371.25
008649	CITY OF RANCHO CUCAMONGA FY 20/21 Annl Parcel Assessment -2nd Ins	AR129483	217.00
	CITY OF RANCHO CUCAMONGA	\$	217.00
008650	CUCAMONGA VALLEY WATER DISTRIC 11/18-12/17 12645 6th St-Lndscp	60386 12/20	166.70
	11/25-12/31 12645 6th St-FrLn	60392 12/20	46.00
	11/25-12/31 12645 6th St-FrLn	60390 12/20	46.00
	11/18-12/17 12645 6th St-Lndscp	60388 12/20	173.44
	CUCAMONGA VALLEY WATER DISTRIC\$		432.14
008651	FEDERAL EXPRESS CORP Freight Charges for Applied Industrial S	7360906173	214.02
	FEDERAL EXPRESS CORP	\$	214.02
008652	IBS INLAND VALLEY Faston	188199044026	279.83
	IBS INLAND VALLEY	\$	279.83
008653	SUNPOWER CORPORATION SYSTEMS Remove and Install 100 Panels	INV3786-0	12,392.71
	SUNPOWER CORPORATION SYSTEMS	\$	12,392.71
008654	APPLIED INDUSTRIAL TECHNOLOGIE Split Pillow Blocks,Rollers,Standard Acc	7020535679	1,305.25

Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	2
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
	QD Sheave, QD Bushing	7020518234			1,075.55
	Conn Link	7020560294			92.61
	Shaft	7020564377			342.32
	Roller Brgs,Standard Accessories	7020564046			865.32
	Asgco M-ASG-DP-48-1-SS	7020510128			1,062.82
	Adapter	7020574745			107.17
	54" Wiper, Wiper Assembly	7020510129			7,819.82
	Sensor for Mounted Bearings	7020510379			1,787.27
				- - - - -	
	APPLIED INDUSTRIAL TECHNOLOGIES				14,458.13
008655	BURRTEC WASTE INDUSTRIES INC				
	1/2021 Trash Overweight Fee	N2111725595			676.95
				- - - - -	
	BURRTEC WASTE INDUSTRIES INC	\$			676.95
008656	CINTAS FIRST AID & SAFETY LOC				
	12/16/20 First Aid & Safety Supplies	8404950157			411.99
				- - - - -	
	CINTAS FIRST AID & SAFETY LOC				411.99
008657	RADAR ENVIRONMENTAL INC				
	12/29/20 Hazardous Waste Disposal	1250			835.00
				- - - - -	
	RADAR ENVIRONMENTAL INC	\$			835.00
008658	SAN BERNARDINO COUNTY				
	2021-Annual Health Permit Fees	IN0351173			4,915.00
				- - - - -	
	SAN BERNARDINO COUNTY	\$			4,915.00
008659	U S BANK				
	*4246044555725724 12/20 Credit Card Chgs 5572 5724 12/				1,618.73
				- - - - -	
	U S BANK	\$			1,618.73
008660	APPLIED INDUSTRIAL TECHNOLOGIE				
	Air Filter	7020658245			30.70
	Air Filters	7020590032			950.60
	Gateway ATT Sim Ready	7020754259			1,046.06
	Drum Pumps,Breathers	7020533634			18,073.83
	2 Dodge Bearing Housings	7020689038			416.86
	Riveted 10',Offset Link,Conn Link	7020603980			3,247.46
	Dodge	7020593627			416.86
	Premalube,Oil Filters,Air Filters,Hy T P	7020688318			2,639.81
	QD Bushing	7020658570			28.54
	Precision Pulley	7020589959			3,955.69
	Hydraulic Filter,Air Filter	7020669616			214.13
				- - - - -	
	APPLIED INDUSTRIAL TECHNOLOGIES				31,020.54
008661	CASCO EQUIPMENT CORPORATION				
	Install New Curtain & Parts Dynaco Door	137360			11,701.58
				- - - - -	
	CASCO EQUIPMENT CORPORATION	\$			11,701.58
008662	CUCAMONGA VALLEY WATER DISTRIC				
	12/31-1/28 12645 6th St-FrLn	60392 1/21			46.00
	12/31-1/28 12645 6th St-FrLn	60390 1/21			46.00



Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	3
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
	12/17-1/19 12645 6th St-Lndscp	60388	1/21		146.70
	12/17-1/19 12645 6th St-Lndscp	60386	1/21		164.79
				- - - - -	
	CUCAMONGA VALLEY WATER DISTRICT				403.49
008663	CUTTING EDGE SUPPLY CO				
	Cat 980 Ctr Bld,End Blade,Bolt,Washer,Nu	COLINV093041			1,762.88
	Cat Skid Steer,Washer,Nut,Bolt	COLINV093042			195.18
				- - - - -	
	CUTTING EDGE SUPPLY CO		\$		1,958.06
008664	DUST COLLECTOR SERVICES INC				
	Preventative Maintenance Inspection	26530			750.00
				- - - - -	
	DUST COLLECTOR SERVICES INC		\$		750.00
008665	FRONTIER PERFORMANCE LUBRICANT				
	Silver 70 NLGI #2	LBA1068162			685.04
	Silver 70 NLGI #1	LBA1080885			342.51
				- - - - -	
	FRONTIER PERFORMANCE LUBRICANT		\$		1,027.55
008666	LANCE SOLL & LUNGHARD LLP				
	2020 RCA Government Audit-Year End Field	40370			3,960.00
	2020 RCA Government Audit-Project Comple	42099			440.00
				- - - - -	
	LANCE SOLL & LUNGHARD LLP		\$		4,400.00
008667	SOIL CONTROL LAB				
	1/15/2021 Finished Compost Pkg	0120414			349.00
	1/15/2021 Size Distribution & Inserts-So	0120415			48.00
				- - - - -	
	SOIL CONTROL LAB		\$		397.00
008668	U S BANK				
	*4246044555725724 1/21 Credit Card Chgs	5572 5724 1/2			2,574.06
				- - - - -	
	U S BANK		\$		2,574.06
008669	VERIZON WIRELESS				
	12/11/20-1/10/21 Cell Phone	9870970674	1/		903.05
				- - - - -	
	VERIZON WIRELESS		\$		903.05
008670	AEROTEK INC				
	Parker,J-W/E 2/6/21 40 Hours	OC14320699			1,592.80
				- - - - -	
	AEROTEK INC		\$		1,592.80
008671	APPLIED INDUSTRIAL TECHNOLOGIE				
	12 Precision Pulley	7020764884			2,925.33
	Sheaves	7020775557			651.04
	Bushings	7020767487			591.60
	Shop Supplies	7020731051			1,238.05
	Shop Supplies	7020732000			142.64
				- - - - -	
	APPLIED INDUSTRIAL TECHNOLOGIES		\$		5,548.66
008672	BURRTEC WASTE INDUSTRIES INC				

Check	Payee / Description	Amount
Report: ZFIR TREASURER Inland Empire Regional Composting Page 4 For 01/01/2021 ~ 03/31/2021 Treasurer Report Date 04/06/2021		
2/2021	Trash Service N2111753388	1,298.88
	BURRTEC WASTE INDUSTRIES INC \$	1,298.88
008673	CINTAS FIRST AID & SAFETY LOC 1/13/21 First Aid & Safety Supplies 8404994360	480.19
	CINTAS FIRST AID & SAFETY LOC\$	480.19
008674	FRONTIER PERFORMANCE LUBRICANT Silver 70 NLGI LBA1100782	685.04
	FRONTIER PERFORMANCE LUBRICANT\$	685.04
008675	RADAR ENVIRONMENTAL INC 1/7/2021 Hazardous Waste Disposal 1269	50.00
	RADAR ENVIRONMENTAL INC \$	50.00
008676	AEROTEK INC Parker, J-W/E 2/27/21 40 Hours OC14385141 1,592.80 Parker, J-W/E 2/13/21 36.50 Hours OC14344800 1,453.43 Parker, J-W/E 2/20/21 32 Hours OC14365266 1,274.24	
	AEROTEK INC \$	4,320.47
008677	ALMEGA ENVIRONMENTAL Biofilter Testing 197801	75,715.00
	ALMEGA ENVIRONMENTAL \$	75,715.00
008678	APPLIED INDUSTRIAL TECHNOLOGIE Power Wrench, Bolt Breaker, Power Punch 7020881059 189.81 Templet 7020888788 49.22 Air Filter 7020881124 46.50	
	APPLIED INDUSTRIAL TECHNOLOGIE\$	285.53
008679	CUCAMONGA VALLEY WATER DISTRIC 1/19-2/18 12645 6th St-Lndscp 60386 2/21 164.79 1/28-2/25 12645 6th St-FrLn 60392 2/21 46.00 1/28-2/25 12645 6th St-FrLn 60390 2/21 46.00 1/19-2/18 12645 6th St-Lndscp 60388 2/21 144.79	
	CUCAMONGA VALLEY WATER DISTRIC\$	401.58
008680	CUTTING EDGE SUPPLY CO Repair Damaged Cylinder Mounting MRCINV603024	2,470.96
	CUTTING EDGE SUPPLY CO \$	2,470.96
008681	SAN BERNARDINO COUNTY CUPA 4/21-3/22 Permit Renewal IN0154372	1,238.00
	SAN BERNARDINO COUNTY \$	1,238.00
008682	SOUTH COAST AQMD RCA 2020 Annual Emissions Report Fee 139808 2020 A	3,232.20

Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	5
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
	SOUTH COAST AQMD		\$		3,232.20
008683	VERIZON WIRELESS				
	1/11/21-2/10/21 Cell Phone	9873082587 2/			510.07
	VERIZON WIRELESS		\$		510.07
008684	AEROTEK INC				
	Parker,J-W/E 3/13/21 40 Hours	OC14427119			1,592.80
	Parker,J-W/E 3/6/21 32 Hours	OC14406405			1,274.24
	AEROTEK INC		\$		2,867.04
008685	APPLIED INDUSTRIAL TECHNOLOGIE				
	Torque Flex	7020924547			262.82
	Air Filter	7020637309			65.16
	Sheave,Torque Flex,Bushing	7020909152			366.37
	Seal Master	7020977347			2,205.83
	Oil Filter, Air Filter, Bushings	7020984005			210.28
	Sheaves, Bushing	7020919408			1,141.22
	Browning Sheaves	7020933702			1,146.59
	APPLIED INDUSTRIAL TECHNOLOGIES		\$		5,398.27
008686	BURRTEC WASTE INDUSTRIES INC				
	3/2021 Trash Service	N2111823469			1,298.88
	BURRTEC WASTE INDUSTRIES INC		\$		1,298.88
008687	CASCO EQUIPMENT CORPORATION				
	Install New Curtain on Dynaco Door	137463			14,274.51
	Inspect and Repair Dynaco Door	137730			835.31
	CASCO EQUIPMENT CORPORATION		\$		15,109.82
008688	CINTAS FIRST AID & SAFETY LOC				
	2/10/21 First Aid & Safety Supplies	8405032399			385.10
	CINTAS FIRST AID & SAFETY LOC		\$		385.10
008689	CUTTING EDGE SUPPLY CO				
	Plowbolt,Washer,Nut Assembly	COLINV094010			290.15
	CUTTING EDGE SUPPLY CO		\$		290.15
008690	FRONTIER PERFORMANCE LUBRICANT				
	Silver 70 NLGI #1	LBA1132671			1,424.87
	FRONTIER PERFORMANCE LUBRICANT		\$		1,424.87
008691	SOIL CONTROL LAB				
	2/25/2021 Finished Compost Pkg	1020347			698.00
	2/25/2021 Size Distribution & Inserts-So	1020344			48.00
	SOIL CONTROL LAB		\$		746.00
008692	U S BANK				
	*4246044555725724 2/21 Credit Card Chgs	5572 5724 2/2			765.50

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	U S BANK		\$		765.50
008693	URIMAGE				
	1,000 Marcus Coulombe Business Cards	11675			31.25
				- - - -	- - - -
	URIMAGE		\$		31.25
008694	VERIZON WIRELESS				
	2/11/21-3/10/21 Cell Phone	9875209711 3/			504.23
				- - - -	- - - -
	VERIZON WIRELESS		\$		504.23
ACH	COUNTY SANITATION DISTRICTS OF				
	11/2020 Construction Inspection,Health,S 30039				1,289.14
				- - - -	- - - -
	COUNTY SANITATION DISTRICTS OF\$				1,289.14
ACH	PATTON SALES CORP				
	Round Tube	4116145			266.68
				- - - -	- - - -
	PATTON SALES CORP		\$		266.68
ACH	WAXIE SANITARY SUPPLY				
	Paper Towel,Cups,Trash Bags,Palmolive,Ba	79681142			780.40
	Items not Shipped	79681142 CRED			205.37-
				- - - -	- - - -
	WAXIE SANITARY SUPPLY		\$		575.03
ACH	PETE'S ROAD SERVICE				
	Loader Flat Tire Repair	462321-00			295.47
				- - - -	- - - -
	PETE'S ROAD SERVICE		\$		295.47
ACH	GRAINGER INC				
	Magnetic Drill Press	9741953799			2,079.45
	Full Body Harness,Tie Back Lanyard	9741500111			697.31
				- - - -	- - - -
	GRAINGER INC		\$		2,776.76
ACH	KONICA MINOLTA BUSINESS SOLUTI				
	11/13/20-12/12/20 Maintenance Agreement	9007359648			18.56
				- - - -	- - - -
	KONICA MINOLTA BUSINESS SOLUTI\$				18.56
ACH	INDUSTRIAL SUPPLY CO				
	Nuts, Bolts, Screws	3950			86.53
	Nuts,Bolts, Screws	3928			742.61
				- - - -	- - - -
	INDUSTRIAL SUPPLY CO		\$		829.14
ACH	PALM AUTO DETAIL INC				
	12/20 Carwash for RCA Vehicles	201289-1			654.75
				- - - -	- - - -
	PALM AUTO DETAIL INC		\$		654.75
ACH	CHAMPION FIRE SYSTEMS INC				
	Annual Hydrant Repairs	57169			1,155.30
	Repaired Valve	57172			6,214.80
				- - - -	- - - -

Check	Payee / Description	Amount
	CHAMPION FIRE SYSTEMS INC	\$ 7,370.10
ACH	EGGLETON TRUCKING INC	
	12/2020 Compost Hauling 1626	360.36
	12/2020 Compost Hauling 1627	3,492.72
	EGGLETON TRUCKING INC	\$ 3,853.08
ACH	VIRAMONTES EXPRESS INC	
	12/2020 Compost Hauling 120584	1,665.66
	VIRAMONTES EXPRESS INC	\$ 1,665.66
ACH	AMAZON BUSINESS	
	Grease Gun 1FIT-JTNN-WQR	242.33
	Bronze Finish Ticket Window 1FTX-YHGJ-CT6	327.43
	2021 Ring Bound Planner 1JYQ-FPHD-CPD	53.82
	10 Folding Tables 119D-G9D6-Q3T	623.10
	4 Cases Ceiling Tiles 1T9V-JVCK-D3T	538.76
	AMAZON BUSINESS	\$ 1,785.44
ACH	HOME DEPOT CREDIT SERVICES	
	Hand Vacuum, Step Ladder, Wireless Charge 5022365	300.29
	HOME DEPOT CREDIT SERVICES	\$ 300.29
ACH	WAXIE SANITARY SUPPLY	
	16x19 White Bar Towels 79690626	323.25
	WAXIE SANITARY SUPPLY	\$ 323.25
ACH	PETE'S ROAD SERVICE	
	Inspect Bobcat Sweeper 462940-00	260.00
	PETE'S ROAD SERVICE	\$ 260.00
ACH	GRAINGER INC	
	Steel Latch Kit 9751116352	35.02
	GRAINGER INC	\$ 35.02
ACH	MCMASTER-CARR SUPPLY CO	
	Aluminum Compression Lugs 51005788	873.21
	Distilled Water 51006077	41.66
	Electrically Actuated Hour Meter 50270006	52.35
	MCMASTER-CARR SUPPLY CO	\$ 967.22
ACH	CHAMPION FIRE SYSTEMS INC	
	Underground Valve Repair 56993	7,890.00
	CHAMPION FIRE SYSTEMS INC	\$ 7,890.00
ACH	PEST OPTIONS INC	
	12/20 Weed Control Svcs 365806	98.80
	PEST OPTIONS INC	\$ 98.80

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ACH	READY REFRESH BY NESTLE 12/20 Bottled Water, Cooler	10L0029858982			109.23
	READY REFRESH BY NESTLE	\$			109.23
ACH	RDO EQUIPMENT COMPANY Loader Rental	R2718735			13,067.63
	Bushing	P9894135			15.76
	Bushing	P9894235			15.76
	Miscellaneous Diagnostics	W6911335			3,984.77
	Loader Wiper Motor Not Working	W6954435			1,061.65
	RDO EQUIPMENT COMPANY	\$			18,145.57
ACH	DOWNS ENERGY 2,549.90 Gals Red Dyed Diesel Fuel	0273617-IN			5,718.85
	DOWNS ENERGY	\$			5,718.85
ACH	EGGLETON TRUCKING INC 12/2020 Compost Hauling	1653			2,993.76
	EGGLETON TRUCKING INC	\$			2,993.76
ACH	VIRAMONTES EXPRESS INC 12/2020 Compost Hauling	120625			6,926.82
	VIRAMONTES EXPRESS INC	\$			6,926.82
ACH	AMAZON BUSINESS 18 Sealed Beam Light Bulb,2 Emergency Li	1T9K-MPXR-Q4L			268.12
	Franklin Covey Wire Bound Planner	1Y3M-7J9P-KTY			76.45
	Disposal Face Masks	1DJG-XG1Q-PHP			138.90
	WOWOONE 10 Piece Set	1Q6M-F3NX-HLW			30.13
	AMAZON BUSINESS	\$			513.60
ACH	INLAND EMPIRE WINDUSTRIAL CO Union, Tee	032730 01			74.13
	INLAND EMPIRE WINDUSTRIAL CO	\$			74.13
ACH	WEST SALEM MACHINERY CO Repair Shaft Assembly	817582			1,613.75
	WEST SALEM MACHINERY CO	\$			1,613.75
ACH	GUARD FIRE PROTECTION Replacement of 10" Post Indicator Valve	20-1222			5,770.00
	GUARD FIRE PROTECTION	\$			5,770.00
ACH	SOUTHWEST ALARM SERVICE 1/2021 Agency-Wide Monthly Monitoring Se	072292			462.00
	SOUTHWEST ALARM SERVICE	\$			462.00
ACH	BERNELL HYDRAULICS Pipe Coupling	0395573-IN			34.91

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	Parflex, Pipe Coupling	0394159-IN		1,764.15	
	Parflex, Clamp, Nipple	0395026-IN		336.61	
				- - - - -	
	BERNELL HYDRAULICS		\$	2,135.67	
ACH	KONICA MINOLTA BUSINESS SOLUTI				
	11/27/20-12/26/20 Maintenance Agreement	9007392923		14.36	
				- - - - -	
	KONICA MINOLTA BUSINESS SOLUTI		\$	14.36	
ACH	RDO EQUIPMENT COMPANY				
	Loader Controller Diagnostics	W6975135		1,815.30	
				- - - - -	
	RDO EQUIPMENT COMPANY		\$	1,815.30	
ACH	DAVID WHEELER'S PEST CONTROL I				
	12/20 Pest Control	52222		31.00	
	12/20 Gopher Control	53149		200.00	
				- - - - -	
	DAVID WHEELER'S PEST CONTROL I		\$	231.00	
ACH	DAVID WHEELER'S PEST CONTROL I				
	12/20 Pest Control	52229		250.00	
	12/20 Rodent Control	52600		380.00	
				- - - - -	
	DAVID WHEELER'S PEST CONTROL I		\$	630.00	
ACH	EGGLETON TRUCKING INC				
	1/2021 Compost Hauling	1659		180.18	
	1/2021 Compost Hauling	1658		3,833.28	
				- - - - -	
	EGGLETON TRUCKING INC		\$	4,013.46	
ACH	VIRAMONTES EXPRESS INC				
	12/2020 Compost Hauling	120655		5,325.00	
	11/2020 BioFilter Media	120518		38,466.75	
				- - - - -	
	VIRAMONTES EXPRESS INC		\$	43,791.75	
ACH	AMAZON BUSINESS				
	10 Fire Extinguisher Covers	1YX9-1VLL-94P		280.10	
				- - - - -	
	AMAZON BUSINESS		\$	280.10	
ACH	BELZONA CALIFORNIA INC				
	Install Immersion Grade, Super Metal	5657		13,665.39	
				- - - - -	
	BELZONA CALIFORNIA INC		\$	13,665.39	
ACH	GUARD FIRE PROTECTION				
	Import to Slurry to Fill in Void Concret	20-1239		840.00	
				- - - - -	
	GUARD FIRE PROTECTION		\$	840.00	
ACH	SOLAR STAR CALIFORNIA VI LLC				
	12/2020 Solar 12811 Sixth St	E02M0612-4148		12,906.50	
				- - - - -	
	SOLAR STAR CALIFORNIA VI LLC		\$	12,906.50	

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ACH	INLAND EMPIRE UTILITIES AGENCY 12/2020 Bldg Lease Pymt	90028080	6,635.74
			- - - - -
	INLAND EMPIRE UTILITIES AGENCY\$		6,635.74
ACH	HOME DEPOT CREDIT SERVICES Bright and Soft Pellets	4905059	663.09
			- - - - -
	HOME DEPOT CREDIT SERVICES \$		663.09
ACH	CHAMPION FIRE SYSTEMS INC Troubleshoot Fire Panel	57356	595.00
			- - - - -
	CHAMPION FIRE SYSTEMS INC \$		595.00
ACH	RDO EQUIPMENT COMPANY Wiper Motor	P9983635	199.90
			- - - - -
	RDO EQUIPMENT COMPANY \$		199.90
ACH	TRICO CORPORATION Oil Analysis	P57430	448.00
	Oil Analysis	P57434	666.00
	Oil Analysis	P57433	384.00
			- - - - -
	TRICO CORPORATION \$		1,498.00
ACH	EGGLETON TRUCKING INC 1/2021 Compost Hauling	1679	5,488.56
	1/2021 Compost Hauling	1682	570.24
	1/2021 Compost Hauling	1681	498.96
	1/2021 Compost Hauling	1680	3,484.80
			- - - - -
	EGGLETON TRUCKING INC \$		10,042.56
ACH	PRIORITY BUILDING SERVICES LLC 12/20 Janitorial Service Fee	73452	1,246.77
			- - - - -
	PRIORITY BUILDING SERVICES LLC\$		1,246.77
ACH	VIRAMONTES EXPRESS INC 12/2020 Compost Hauling	120696	1,275.00
	11/2020 Compost Hauling	120778	1,119.96
			- - - - -
	VIRAMONTES EXPRESS INC \$		2,394.96
ACH	MODULAR BUILDING CONCEPTS INC 1/21 Trailer/Step/Ramp Rental	207705	608.14
			- - - - -
	MODULAR BUILDING CONCEPTS INC \$		608.14
ACH	LIBERTY LANDSCAPING INC 1/2021 Landscaping Services	95548	875.00
			- - - - -
	LIBERTY LANDSCAPING INC \$		875.00
ACH	GUARD FIRE PROTECTION Replacement of Post Indicator Valve	20-1197.1	14,000.00
			- - - - -



Check	Payee / Description	Amount
	GUARD FIRE PROTECTION	\$ 14,000.00
ACH	Inland Empire Utilities Agency	
	11/2020 L&B Expenses	SAP1120-RCAL& 331,007.03
	11/2020 O&M Expenses	SAP1120-RCAO& 56,598.21
	Inland Empire Utilities Agency\$	387,605.24
ACH	HOME DEPOT CREDIT SERVICES	
	Braided Cable	1024377 59.20
	Circ Tool, Charger, Adapters, Wrench, Chanel	1042336 666.68
	Chainsaw, Water Press, Ratchet, Chisel	4221985 594.24
	36" Aluminum Lute	7865479 525.71
	HOME DEPOT CREDIT SERVICES	\$ 1,845.83
ACH	MCMASTER-CARR SUPPLY CO	
	Socket Extensions, Screwdrivers, Wrench, So	51303855 187.22
	Grounding Wire, Split Bolt Splice, U Bolt,	51312672 557.28
	MCMASTER-CARR SUPPLY CO	\$ 744.50
ACH	INDUSTRIAL SUPPLY CO	
	Nuts, Bolts, Screws	4036 119.80
	INDUSTRIAL SUPPLY CO	\$ 119.80
ACH	VORTEX INDUSTRIES INC	
	Repair 1 High Speed Door	05-1450746 835.54
	VORTEX INDUSTRIES INC	\$ 835.54
ACH	DOWNNS ENERGY	
	3,000 Gals Red Dyed Diesel Fuel	0274387-IN 6,785.84
	DOWNNS ENERGY	\$ 6,785.84
ACH	STAFFING NETWORK LLC	
	Garcia, Y-W/E 12/25/20 41 Hours	95822523 1,245.00
	Garcia, Y-W/E 12/18/20 40 Hours	95821923 1,200.00
	Garcia, Y-W/E 1/15/21 40 Hours	95824999 1,200.00
	Garcia, Y-W/E 1/22/21 40 Hours	95827748 1,200.00
	Garcia, Y-W/E 12/11/20 41 Hours	95821298 1,245.00
	Garcia, Y-W/E 1/8/21 16 Hours	95824111 480.00
	Garcia, Y-W/E 1/1/21 32 Hours	95823094 960.00
	STAFFING NETWORK LLC	\$ 7,530.00
ACH	R & S INDUSTRIAL FIELD SERVICE	
	Install New Belt on BC 19	3043 24,961.23
	R & S INDUSTRIAL FIELD SERVICE\$	24,961.23
ACH	EGGLETON TRUCKING INC	
	1/2021 Compost Hauling	1699 2,993.76
	1/2021 Compost Hauling	1700 863.28
	1/2021 Compost Hauling	1703 1,425.60
	1/2021 Compost Hauling	1702 5,488.56
	1/2021 Compost Hauling	1701 4,181.76

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Check	Payee / Description	Amount
	EGGLETON TRUCKING INC	\$ 14,952.96
ACH	VIRAMONTES EXPRESS INC 12/2020 BioFilter Media 120814	54,306.00
	VIRAMONTES EXPRESS INC	\$ 54,306.00
ACH	LIBERTY LANDSCAPING INC Remove Magnolia Tree,Grind Stump 95579	500.00
	LIBERTY LANDSCAPING INC	\$ 500.00
ACH	IBS INLAND VALLEY 240 Lithium AA Batteries 1883199044339	1,031.81
	IBS INLAND VALLEY	\$ 1,031.81
ACH	INLAND EMPIRE UTILITIES AGENCY 12/20 NRW Charges 90028223	2,897.93
	INLAND EMPIRE UTILITIES AGENCY	\$ 2,897.93
ACH	HARRINGTON INDUSTRIAL PLASTICS 4" Threaded Cap 012K8992	289.66
	HARRINGTON INDUSTRIAL PLASTICS	\$ 289.66
ACH	HOME DEPOT CREDIT SERVICES Ratchet,Wire Wheel,Wrenches,Gloves,Bucke 4020310	393.12
	HOME DEPOT CREDIT SERVICES	\$ 393.12
ACH	WAXIE SANITARY SUPPLY Cups,Towels,Palmolive Dish Soap 79739462	478.58
	WAXIE SANITARY SUPPLY	\$ 478.58
ACH	BERNELL HYDRAULICS Parflex 0396877-IN 676.26 Parflex,Coupling,Hose 0396876-IN 267.14	943.40
	BERNELL HYDRAULICS	\$ 943.40
ACH	KONICA MINOLTA BUSINESS SOLUTI 12/13/20-1/12/21 Maintenance Agreement 9007439319	23.88
	KONICA MINOLTA BUSINESS SOLUTI	\$ 23.88
ACH	MCMASTER-CARR SUPPLY CO Magnetizer/Demagnetizer 51548015 13.12 Step Ladder 51605707 277.15	290.27
	MCMASTER-CARR SUPPLY CO	\$ 290.27
ACH	PALM AUTO DETAIL INC 1/21 Carwash for RCA Vehicles 21189-1	591.70
	PALM AUTO DETAIL INC	\$ 591.70

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ACH	RDO EQUIPMENT COMPANY		
	3 V-Belts	P0260735	219.42
	Bushing	P0191335	15.76
	Bushing - Returned	P0448235	15.76-
			- - - - -
	RDO EQUIPMENT COMPANY	\$	219.42
ACH	DAVID WHEELER'S PEST CONTROL I		
	1/2021 Pest Control	52727	31.00
	1/21 Rodent Control	53112	380.00
	1/21 Gopher Control	53148	200.00
			- - - - -
	DAVID WHEELER'S PEST CONTROL I\$		611.00
ACH	EGGLETON TRUCKING INC		
	1/2021 Compost Hauling	1733	1,393.92
	1/2021 Compost Hauling	1735	317.79
	1/2021 Compost Hauling	1734	2,993.76
			- - - - -
	EGGLETON TRUCKING INC	\$	4,705.47
ACH	VIRAMONTES EXPRESS INC		
	1/2021 Compost Hauling	120890	3,475.14
			- - - - -
	VIRAMONTES EXPRESS INC	\$	3,475.14
ACH	AMAZON BUSINESS		
	Safety Glasses	14XY-C3J9-9P1	211.44
	Bug A Salt, Bit Holder	11C6-3QYK-1QX	104.09
			- - - - -
	AMAZON BUSINESS	\$	315.53
ACH	HOME DEPOT CREDIT SERVICES		
	Blue Def, Mke 9" 5TPI	14042	168.81
			- - - - -
	HOME DEPOT CREDIT SERVICES	\$	168.81
ACH	SOUTHWEST ALARM SERVICE		
	2/2021 Agency-Wide Monthly Monitoring Se 072594		462.00
			- - - - -
	SOUTHWEST ALARM SERVICE	\$	462.00
ACH	PETE'S ROAD SERVICE		
	Flat Tire Repair	467175-00	294.55
			- - - - -
	PETE'S ROAD SERVICE	\$	294.55
ACH	GRAINGER INC		
	Air Compressor	9784514193	1,582.33
			- - - - -
	GRAINGER INC	\$	1,582.33
ACH	BERNELL HYDRAULICS		
	Hose, Male Orb, Female Swivel	0397384-IN	197.93
	Hose, Parflex, Male Orb, Female Swivel	0397074-IN	375.25
			- - - - -
	BERNELL HYDRAULICS	\$	573.18

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Check	Payee / Description		Amount
ACH	PEST OPTIONS INC 1/2021 Weed Control Svcs	367688	98.80
	PEST OPTIONS INC	\$	98.80
ACH	MEE INDUSTRIES INC 3 Hour Service Call	55555	2,700.00
	MEE INDUSTRIES INC	\$	2,700.00
ACH	RDO EQUIPMENT COMPANY Loader Fuel Primer Issue	W7012435	1,956.95
	Replace Gator/Diesel Clutch	W7012235	1,426.64
	Hydraulic Diagnostics	W6970735	720.00
	Bushing	P0447935	15.76
	RDO EQUIPMENT COMPANY	\$	4,119.35
ACH	R & S INDUSTRIAL FIELD SERVICE Change Trommel Screen Trust Wheels	3030	6,700.00
	R & S INDUSTRIAL FIELD SERVICE	\$	6,700.00
ACH	EGGLETON TRUCKING INC 2/2021 Compost Hauling	1749	1,393.92
	2/2021 Compost Hauling	1750	2,494.80
	EGGLETON TRUCKING INC	\$	3,888.72
ACH	BS&B PRESSURE SAFETY MANAGEMEN 2021 Fire Supression-Annual Inspection	INV08083	5,816.73
	BS&B PRESSURE SAFETY MANAGEMEN	\$	5,816.73
ACH	VIRAMONTES EXPRESS INC 1/2021 Compost Hauling	120950	2,870.40
	1/2021 Compost Hauling	120992	205.92
	VIRAMONTES EXPRESS INC	\$	3,076.32
ACH	NEXT STAGE ENGINEERING & CONST RA17007-1/21 Pay Est 14	PE 14-RA17007	42,351.03
	NEXT STAGE ENGINEERING & CONST	\$	42,351.03
ACH	SOLAR STAR CALIFORNIA VI LLC 1/2021 Solar 12811 Sixth St	E02M0612-4287	13,051.08
	SOLAR STAR CALIFORNIA VI LLC	\$	13,051.08
ACH	Inland Empire Utilities Agency 12/2020 L&B Expenses	SAP1220-RCAL&	350,489.05
	12/2020 O&M Expenses	SAP1220-RCAO&	192,476.72
	Inland Empire Utilities Agency	\$	542,965.77
ACH	COUNTY SANITATION DISTRICTS OF 12/2020 Construction Inspection,Health,S	30364	3,157.55

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	COUNTY SANITATION DISTRICTS OF\$				3,157.55
ACH	BERNELL HYDRAULICS				
	Hose, Female Swivel, Clamps	0397482-IN			747.14
	3 Metal Bowls	0398517-IN			413.42
	3 Metal Bowls Returned RGA #3391	0398988-IN			421.16-
				- - - - -	- - - - -
	BERNELL HYDRAULICS	\$			747.14
ACH	KONICA MINOLTA BUSINESS SOLUTI				
	12/27/20-1/26/21 Maintenance Agreement	9007472834			3.39
				- - - - -	- - - - -
	KONICA MINOLTA BUSINESS SOLUTI\$				3.39
ACH	MEE INDUSTRIES INC				
	Tube, Clamp, Union, Union Tee	55556			1,818.02
				- - - - -	- - - - -
	MEE INDUSTRIES INC	\$			1,818.02
ACH	RDO EQUIPMENT COMPANY				
	15/W40 Engine Oil	P0365835			959.88
	Troubleshoot Low Fuel Pressure	W6985835			353.10
	V-Belt	P0364935			94.15
				- - - - -	- - - - -
	RDO EQUIPMENT COMPANY	\$			1,407.13
ACH	DOWNNS ENERGY				
	2,350.30 Gals Red Dyed Diesel Fuel	0275156-IN			5,406.72
				- - - - -	- - - - -
	DOWNNS ENERGY	\$			5,406.72
ACH	TRICO CORPORATION				
	12/2020 Oil Analysis	P57707			32.00
	1/2021 Oil Analysis	P57708			342.00
				- - - - -	- - - - -
	TRICO CORPORATION	\$			374.00
ACH	STAFFING NETWORK LLC				
	Garcia, Y-W/E 2/12/21 16 Hours	95831556			480.00
				- - - - -	- - - - -
	STAFFING NETWORK LLC	\$			480.00
ACH	EGGLETON TRUCKING INC				
	2/2021 Compost Hauling	1759			260.37
	2/2021 Compost Hauling	1762			348.48
	2/2021 Compost Hauling	1763			285.12
	2/2021 Compost Hauling	1760			965.25
	2/2021 Compost Hauling	1761			1,822.59
				- - - - -	- - - - -
	EGGLETON TRUCKING INC	\$			3,681.81
ACH	PRIORITY BUILDING SERVICES LLC				
	1/2021 Janitorial Service Fee	74334			1,228.71
				- - - - -	- - - - -
	PRIORITY BUILDING SERVICES LLC\$				1,228.71
ACH	VIRAMONTES EXPRESS INC				
	1/2021 Compost Hauling	121068			6,309.68
	1/2021 Compost Hauling	121087			5,449.60

Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	16
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
	12/2020 Compost Hauling	121086			423.30
	VIRAMONTES EXPRESS INC		\$		12,182.58
ACH	MODULAR BUILDING CONCEPTS INC 2/21 Trailer/Step/Ramp Rental	207992			608.14
	MODULAR BUILDING CONCEPTS INC		\$		608.14
ACH	AMAZON BUSINESS Disposable Face Masks,Lysol Disinfecting 1NQL-NJD6-KLG				294.46
	AMAZON BUSINESS		\$		294.46
ACH	AMERICAN OFFICE PROFESSIONALS Service Call HP LJ P3015,Fuser Unit (\$89 2732				388.05
	AMERICAN OFFICE PROFESSIONALS		\$		388.05
ACH	LIBERTY LANDSCAPING INC 2/2021 Landscaping Services	96072			875.00
	LIBERTY LANDSCAPING INC		\$		875.00
ACH	HOME DEPOT CREDIT SERVICES Lumber,Acrylic Sheet	7014985			120.84
	Clamps,Riveter Kit,Broom,Drain Opener,Ta	9021795			296.62
	HOME DEPOT CREDIT SERVICES		\$		417.46
ACH	SOUTHWEST ALARM SERVICE Replace Batteries,Repeater,Command Cente	072475			1,439.12
	SOUTHWEST ALARM SERVICE		\$		1,439.12
ACH	PETE'S ROAD SERVICE Flat Tire Repair	474222-00			279.47
	PETE'S ROAD SERVICE		\$		279.47
ACH	PALM AUTO DETAIL INC 2/21 Carwash for RCA Vehicles	21289-1			659.60
	PALM AUTO DETAIL INC		\$		659.60
ACH	ALLIED UNIVERSAL SECURITY SERV 2/2021 Patrol Svcs	10876596			960.75
	1/2021 Patrol Svcs	10778897			915.00
	ALLIED UNIVERSAL SECURITY SERV\$				1,875.75
ACH	RDO EQUIPMENT COMPANY 1 Bushing	P0447935.			15.76
	Troubleshoot Hydraulic Leak	W6994035.			15,112.06
	RDO EQUIPMENT COMPANY		\$		15,127.82
ACH	ALTA FOODCRAFT Coffee,Splenda,Coffeemate,Cocoa,Claener	12105473			280.01

Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	17
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
	ALTA FOODCRAFT		\$	- - - - -	280.01
ACH	STAFFING NETWORK LLC Garcia, Y-W/E 2/12/21 16 Hours	95832203			480.00
	STAFFING NETWORK LLC		\$	- - - - -	480.00
ACH	R & S INDUSTRIAL FIELD SERVICE Install New Trommel Screens	3029			14,200.00
	R & S INDUSTRIAL FIELD SERVICE		\$	- - - - -	14,200.00
ACH	EGGLETON TRUCKING INC 2/2021 Compost Hauling	1800			514.80
	2/2021 Compost Hauling	1798			260.37
	2/2021 Compost Hauling	1802			1,995.84
	2/2021 Compost Hauling	1801			696.96
	2/2021 Compost Hauling	1799			321.75
	EGGLETON TRUCKING INC		\$	- - - - -	3,789.72
ACH	VIRAMONTES EXPRESS INC 1/2021 Compost Hauling	121106			431.60
	1/2021 Compost Hauling	121132			2,569.84
	VIRAMONTES EXPRESS INC		\$	- - - - -	3,001.44
ACH	AMAZON BUSINESS iPhone OtterBox	169H-W43N-FR7			38.75
	NFPA Books	1NDJ-M4Y9-6Y1			191.49
	AMAZON BUSINESS		\$	- - - - -	230.24
ACH	IBS INLAND VALLEY 7 6V Batteries	1883199044634			142.77
	Batteries	140034301			398.55
	IBS INLAND VALLEY		\$	- - - - -	541.32
ACH	INLAND EMPIRE UTILITIES AGENCY 10/20-12/20 Chemical Oxygen Demand Chrg	90028353			3,366.54
	INLAND EMPIRE UTILITIES AGENCY		\$	- - - - -	3,366.54
ACH	GRAINGER INC 1 Carbon Dioxide Fire Extinguisher	9800212830			229.10
	GRAINGER INC		\$	- - - - -	229.10
ACH	BERNELL HYDRAULICS 4 Enerpac Grove Saddles	0398518-IN.			258.24
	BERNELL HYDRAULICS		\$	- - - - -	258.24
ACH	MCMASTER-CARR SUPPLY CO 12 SS U-Bolts with Mounting Plates	54305665			183.08
	MCMASTER-CARR SUPPLY CO		\$	- - - - -	183.08

Report: ZFIR TREASURER Inland Empire Regional Composting Page 18  
 For 01/01/2021 ~ 03/31/2021 Treasurer Report Date 04/06/2021

Check	Payee / Description	Amount
ACH	MEE INDUSTRIES INC Swage,Hose,Connectors,Tubes, Adapters 55557	1,703.43
	MEE INDUSTRIES INC \$	1,703.43
ACH	READY REFRESH BY NESTLE 1/21 Bottled Water,Cooler,Cleaning Servi 11A0029858982	550.80
	READY REFRESH BY NESTLE \$	550.80
ACH	RDO EQUIPMENT COMPANY Elbow Fitting P0543935 8.52 John Deere 744L Rental R2763235 12,035.63 Troubleshoot Oil Leaks W7086835 2,596.53 Bushing P0544035 15.76 Alternator P0543735 658.31 Tightener P0544135 329.79 Belt P0543835 129.33	
	RDO EQUIPMENT COMPANY \$	15,773.87
ACH	STAFFING NETWORK LLC Garcia,Y-W/E 2/19/21 16 Hours 95832849	480.00
	STAFFING NETWORK LLC \$	480.00
ACH	EGGLETON TRUCKING INC 2/2021 Compost Hauling 1818 285.12 2/2021 Compost Hauling 1816 696.96 2/2021 Compost Hauling 1815 1,041.48 2/2021 Compost Hauling 1814 786.06 2/2021 Compost Hauling 1813 234.63	
	EGGLETON TRUCKING INC \$	3,044.25
ACH	INLAND EMPIRE UTILITIES AGENCY 1/21 NRW Charges 90028430	3,072.15
	INLAND EMPIRE UTILITIES AGENCY\$	3,072.15
ACH	COUNTY SANITATION DISTRICTS OF 1/2021 Construction Inspection,Health,Sa 30824	312.82
	COUNTY SANITATION DISTRICTS OF\$	312.82
ACH	HOME DEPOT CREDIT SERVICES Grease Gun, Helmet, Headlamp, Fireblock, 9010973 575.13 Clamps,Mallet,Scraper,Hammer,Pick/Probe 5023193 207.08	
	HOME DEPOT CREDIT SERVICES \$	782.21
ACH	PETE'S ROAD SERVICE Torque Lug Nuts,Air Check 476706-00	30.00
	PETE'S ROAD SERVICE \$	30.00
ACH	KONICA MINOLTA BUSINESS SOLUTI 1/13/21-2/12/21 Maintenance Agreement 9007517013	19.11



Report: ZFIR TREASURER Inland Empire Regional Composting Page 19  
 For 01/01/2021 ~ 03/31/2021 Treasurer Report Date 04/06/2021

Check	Payee / Description		Amount
	1/1/21-1/31/21 Maintenance Agreement	9007487280	413.90
	KONICA MINOLTA BUSINESS SOLUTI\$		433.01
ACH	MCMASTER-CARR SUPPLY CO		
	Battery Power Cord Lug, Clamp	53537528	178.00
	Battery Power Cord, Quick Solder, Butane T	53488818	810.87
	Material Tracking Labels, Heat Shrink Tub	53488868	101.15
	MCMASTER-CARR SUPPLY CO	\$	1,090.02
ACH	MEE INDUSTRIES INC		
	Nozzle Reconditioning	55694	4,091.74
	MEE INDUSTRIES INC	\$	4,091.74
ACH	RDO EQUIPMENT COMPANY		
	Hy Gard	P0632935	820.95
	Troubleshoot Pivot Pins Worn	W7022335	33,134.45
	Screw	P0631535	4.96
	Solenoid	P0631635	148.35
	Bushing, Cap Screw	P0631835	18.94
	Elbow Fitting	P0631735	8.52
	RDO EQUIPMENT COMPANY	\$	34,136.17
ACH	DAVID WHEELER'S PEST CONTROL I		
	2/21 Rodent Control	53607	380.00
	DAVID WHEELER'S PEST CONTROL I\$		380.00
ACH	DOWNS ENERGY		
	3,069.40 Gals Red Dyed Diesel Fuel	0276015-IN	7,754.85
	DOWNS ENERGY	\$	7,754.85
ACH	STAFFING NETWORK LLC		
	Garcia, Y-W/E 2/26/21 40 Hours	95834561	1,245.00
	STAFFING NETWORK LLC	\$	1,245.00
ACH	EGGLETON TRUCKING INC		
	3/2021 Compost Hauling	1853	3,991.68
	3/2021 Compost Hauling	1852	514.80
	2/2021 Compost Hauling	1817	7,484.40
	EGGLETON TRUCKING INC	\$	11,990.88
ACH	VIRAMONTES EXPRESS INC		
	2/2021 Compost Hauling	121296	3,512.08
	2/2021 Compost Hauling	121261	2,086.24
	VIRAMONTES EXPRESS INC	\$	5,598.32
ACH	AMAZON BUSINESS		
	Dry Erase Board, Pinstripe Tape	1N4D-X1K9-PLW	42.87
	AMAZON BUSINESS	\$	42.87

Report: ZFIR TREASURER		Inland Empire Regional Composting		Page	20
For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
ACH	IBS INLAND VALLEY Battery	140034396			76.71
				- - - -	- - - -
	IBS INLAND VALLEY	\$			76.71
ACH	SOLAR STAR CALIFORNIA VI LLC 2/2021 Solar 12811 Sixth St	E02M0612-4301			17,451.42
				- - - -	- - - -
	SOLAR STAR CALIFORNIA VI LLC	\$			17,451.42
ACH	Inland Empire Utilities Agency 1/2021 L&B Expenses 1/2021 O&M Expenses	SAP0121-RCAL& SAP0121-RCAO&			361,706.88 66,225.81
				- - - -	- - - -
	Inland Empire Utilities Agency\$				427,932.69
ACH	INLAND EMPIRE UTILITIES AGENCY 11/20 NRW Charges 6/20-11/20-Redwood Energy II-75% due to	90028057 1800004638			2,885.61 116,768.20
				- - - -	- - - -
	INLAND EMPIRE UTILITIES AGENCY\$				119,653.81
ACH	HOME DEPOT CREDIT SERVICES Grease Gun,Blades,Snips,Knife	8510730			309.08
				- - - -	- - - -
	HOME DEPOT CREDIT SERVICES	\$			309.08
ACH	PETE'S ROAD SERVICE Loader Flat Repair	479688-00			289.47
				- - - -	- - - -
	PETE'S ROAD SERVICE	\$			289.47
ACH	KONICA MINOLTA BUSINESS SOLUTI 1/27/21-2/26/21 Maintenance Agreement 2/1/21-2/28/21 Maintenance Agreement	9007551162 9007562832			11.32 143.23
				- - - -	- - - -
	KONICA MINOLTA BUSINESS SOLUTI\$				154.55
ACH	INDUSTRIAL SUPPLY CO Nuts, Bolts, Screws	4298			283.34
				- - - -	- - - -
	INDUSTRIAL SUPPLY CO	\$			283.34
ACH	REOTEMP INSTRUMENTS CORP Eco Probe	0306768-IN			9,851.83
				- - - -	- - - -
	REOTEMP INSTRUMENTS CORP	\$			9,851.83
ACH	PEST OPTIONS INC 2/2021 Weed Control Svcs	369642.1			98.80
				- - - -	- - - -
	PEST OPTIONS INC	\$			98.80
ACH	HERC RENTALS INC 1 Day Forklift Rental 1 Week Forklift Rental	31924803-001 31930456-001			1,344.12 2,768.24
				- - - -	- - - -
	HERC RENTALS INC	\$			4,112.36

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For 01/01/2021 ~ 03/31/2021		Treasurer Report		Date	04/06/2021
Check	Payee / Description				Amount
ACH	READY REFRESH BY NESTLE 2/21 Bottled Water, Cooler, Cleaning Servi 11B0029858982				110.96
		READY REFRESH BY NESTLE	\$		110.96
ACH	CRB SECURITY SOLUTIONS Reinstall Repaired Axis Camera	15257			1,986.25
		CRB SECURITY SOLUTIONS	\$		1,986.25
ACH	RDO EQUIPMENT COMPANY Starter	P0735235			685.09
	Floodlamp, Pump	P0735335			716.60
	Pump	P0735435			86.20
		RDO EQUIPMENT COMPANY	\$		1,487.89
ACH	DAVID WHEELER'S PEST CONTROL I 2/2021 Pest Control	53235			31.00
	2/21 Gopher Control	54163			200.00
		DAVID WHEELER'S PEST CONTROL I	\$		231.00
ACH	TRICO CORPORATION 1/2021 Oil Analysis	P57986			57.00
	2/2021 Oil Analysis	P57988			57.00
	1/2021 Oil Analysis	P57987			352.00
	1/2021 Oil Analysis	P57989			128.00
		TRICO CORPORATION	\$		594.00
ACH	STAFFING NETWORK LLC Garcia, Y-W/E 3/5/21 16 Hours	95835206			480.00
		STAFFING NETWORK LLC	\$		480.00
ACH	EGGLETON TRUCKING INC 3/2021 Compost Hauling	1867			260.37
	3/2021 Compost Hauling	1914			530.25
	3/2021 Compost Hauling	1868			4,989.60
	3/2021 Compost Hauling	1869			285.12
		EGGLETON TRUCKING INC	\$		5,015.34
ACH	PRIORITY BUILDING SERVICES LLC 2/2021 Janitorial Service Fee	74861			1,228.71
		PRIORITY BUILDING SERVICES LLC	\$		1,228.71
ACH	VIRAMONTES EXPRESS INC 2/2021 Compost Hauling	121373			4,174.56
	2/2021 Compost Hauling	121424			1,319.70
		VIRAMONTES EXPRESS INC	\$		5,494.26
ACH	MODULAR BUILDING CONCEPTS INC 3/21 Trailer/Step/Ramp Rental	208278			608.14
		MODULAR BUILDING CONCEPTS INC	\$		608.14

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For 01/01/2021 ~ 03/31/2021	Treasurer Report	Date 04/06/2021

Check	Payee / Description		Amount
ACH	AMAZON BUSINESS Milwaukee Grease Gun	1Y74-3Q7Q-YGL	732.32
	AMAZON BUSINESS	\$	732.32
ACH	INLAND EMPIRE WINDUSTRIAL CO Galvanized MI Reducer	033685 01	70.86
	INLAND EMPIRE WINDUSTRIAL CO	\$	70.86
ACH	LIBERTY LANDSCAPING INC 3/2021 Landscaping Services	96686	875.00
	LIBERTY LANDSCAPING INC	\$	875.00
ACH	RADAR ENVIRONMENTAL INC 2/12/2021 Hazardous Waste Disposal	1285	409.00
	RADAR ENVIRONMENTAL INC	\$	409.00
Wire	STATE BOARD OF EQUALIZATION 10/1/20-12/31/20 State Sales/Use Tax-4th	101-112048 12	1,304.00
	STATE BOARD OF EQUALIZATION	\$	1,304.00

**Grand Total Payment Amount: \$ 2,350,725.74**

Regional Composting Auth  
 Rancho Cucamonga, CA  
 Company code 2000

Check Register

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Bank	CBB	CITIZENS BUSINESS BANK	Ontario CA 917610000				
Bank Key	122234149						
Acct number	CHECK	231157042					
Check							
Check number	from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
008644		2200012254	01/14/2021	USD	657.22	AMERICAN PRINTING & PROMOTIONS CHINO CA	01/19/2021
008645		2200012251	01/14/2021	USD	1,583.97	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	01/19/2021
008646		2200012256	01/14/2021	USD	19,244.00	BAKER ELECTRIC INC ESCONDIDO CA	01/20/2021
008647		2200012259	01/14/2021	USD	1,298.88	BURRTEC WASTE INDUSTRIES INC FONTANA CA	01/21/2021
008648		2200012253	01/14/2021	USD	371.25	CASHIER SACRAMENTO CA	02/11/2021
008649		2200012252	01/14/2021	USD	217.00	CITY OF RANCHO CUCAMONGA RANCHO CUCAMONGA CA	01/27/2021
008650		2200012258	01/14/2021	USD	432.14	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	01/20/2021
008651		2200012250	01/14/2021	USD	214.02	FEDERAL EXPRESS CORP PASADENA CA	01/19/2021
008652		2200012257	01/14/2021	USD	279.83	IES INLAND VALLEY UPLAND CA	01/25/2021
008653		2200012255	01/14/2021	USD	12,392.71	SUNPOWER CORPORATION SYSTEMS LOS ANGELES CA	01/19/2021
008654		2200012296	01/28/2021	USD	14,458.13	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	02/01/2021
008655		2200012301	01/28/2021	USD	676.95	BURRTEC WASTE INDUSTRIES INC FONTANA CA	02/04/2021
008656		2200012298	01/28/2021	USD	411.99	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	02/03/2021
008657		2200012300	01/28/2021	USD	835.00	RADAR ENVIRONMENTAL INC ANAHEIM CA	02/03/2021
008658		2200012297	01/28/2021	USD	4,915.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	02/03/2021
008659		2200012299	01/28/2021	USD	1,618.73	U S BANK FARGO ND	02/04/2021
008660		2200012335	02/11/2021	USD	31,020.54	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	02/03/2021
008661		2200012341	02/11/2021	USD	11,701.58	CASCO EQUIPMENT CORPORATION RIVERSIDE CA	02/03/2021
008662		2200012344	02/11/2021	USD	403.49	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	02/17/2021
008663		2200012337	02/11/2021	USD	1,958.06	CUTTING EDGE SUPPLY CO COLTON CA	02/17/2021
008664		2200012340	02/11/2021	USD	750.00	DUST COLLECTOR SERVICES INC ANAHEIM CA	02/17/2021
008665		2200012343	02/11/2021	USD	1,027.55	FRONTIER PERFORMANCE LUBRICANTS ILIODI CA	02/18/2021
008666		2200012342	02/11/2021	USD	4,400.00	LANCE SOIL & LUNGARD LLP BREA CA	02/16/2021
008667		2200012338	02/11/2021	USD	397.00	SOIL CONTROL LAB WATSONVILLE CA	03/08/2021
008668		2200012339	02/11/2021	USD	2,574.06	U S BANK FARGO ND	02/17/2021
008669		2200012336	02/11/2021	USD	903.05	VERIZON WIRELESS DALLAS TX	02/24/2021
008670		2200012389	02/25/2021	USD	1,592.80	AEROTEK INC ATLANTA GA	03/02/2021
008671		2200012387	02/25/2021	USD	5,548.66	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	03/01/2021
008672		2200012392	02/25/2021	USD	1,298.88	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/03/2021
008673		2200012388	02/25/2021	USD	480.19	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	03/02/2021
008674		2200012390	02/25/2021	USD	685.04	FRONTIER PERFORMANCE LUBRICANTS ILIODI CA	03/03/2021
008675		2200012391	02/25/2021	USD	50.00	RADAR ENVIRONMENTAL INC ANAHEIM CA	03/03/2021
008676		2200012432	03/11/2021	USD	4,320.47	AEROTEK INC ATLANTA GA	03/16/2021
008677		2200012434	03/11/2021	USD	75,715.00	ALMEGA ENVIRONMENTAL DECATUR AL	03/23/2021
008678		2200012429	03/11/2021	USD	285.53	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	03/15/2021
008679		2200012436	03/11/2021	USD	401.58	CUCAMONGA VALLEY WATER DISTRICT LOS ANGELES CA	03/16/2021
008680		2200012433	03/11/2021	USD	2,470.96	CUTTING EDGE SUPPLY CO COLTON CA	03/16/2021
008681		2200012435	03/11/2021	USD	1,238.00	SAN BERNARDINO COUNTY SAN BERNARDINO CA	03/24/2021
008682		2200012430	03/11/2021	USD	3,232.20	SOUTH COAST AQMD DIAMOND BAR CA	03/26/2021
008683		2200012431	03/11/2021	USD	510.07	VERIZON WIRELESS DALLAS TX	03/22/2021
008684		2200012490	03/25/2021	USD	2,867.04	AEROTEK INC ATLANTA GA	03/30/2021
008685		2200012487	03/25/2021	USD	5,398.27	APPLIED INDUSTRIAL TECHNOLOGIES PASADENA CA	03/29/2021
008686		2200012497	03/25/2021	USD	1,298.88	BURRTEC WASTE INDUSTRIES INC FONTANA CA	03/30/2021
008687		2200012495	03/25/2021	USD	15,109.82	CASCO EQUIPMENT CORPORATION RIVERSIDE CA	03/30/2021

Regional Composting Auth  
 Rancho Cucamonga, CA  
 Company code 2000

Check Register

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Bank		CITIZENS BUSINESS BANK		ONTARIO CA		917610000	
Bank Key		122234149					
Acct number		CHECK		231157042			
Check							
Check number	from to	Payment	Print date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
008688		2200012489	03/25/2021	USD	385.10	CINTAS FIRST AID & SAFETY LOCCINCINNATI OH	04/01/2021
008689		2200012491	03/25/2021	USD	290.15	CUTTING EDGE SUPPLY CO COLTON CA	03/31/2021
008690		2200012496	03/25/2021	USD	1,424.87	FRONTIER PERFORMANCE LIBRICANTILODI CA	03/30/2021
008691		2200012493	03/25/2021	USD	746.00	SOIL CONTROL LAB WATSONVILLE CA	
008692		2200012494	03/25/2021	USD	765.50	U S BANK FARGO ND	03/30/2021
008693		2200012492	03/25/2021	USD	31.25	URTWAGE BLOOMINGTON CA	03/31/2021
008694		2200012488	03/25/2021	USD	504.23	VERIZON WIRELESS DALLAS TX	04/05/2021
* Payment method Check					241,392.64		

Total of all entries

Check Register

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Check number from to	Payment	Pmnt date	Crcy	Amount paid (FC)	Recipient/void reason code	Enca./void
**			USD	241,392.64		

**ACTION  
ITEM**





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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Christina Valencia *CV#649*  
Treasurer

**Subject:** Adoption of IERCA Budget for Fiscal Year 2021/22

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### **RECOMMENDATION**

It is recommended that the Board of Directors;

1. Adopt the Inland Empire Regional Composting Authority (IERCA) budget for fiscal year 2021/22;
2. Increase the tipping fee from \$57 to \$58 per wet ton; and
3. Approve a capital call of \$2 million to be shared equally by the Inland Empire Utilities Agency (IEUA) and Los Angeles County Sanitation Districts (LACSD) to support capital improvement project costs and meet the minimum reserve balance, as needed.

### **BACKGROUND**

Pursuant to the Inland Empire Regional Composting Authority Joint Powers Agreement (JPA), an annual operating and capital budget is to be presented and adopted by the JPA Board prior to June 30 each year. The proposed FY 2021/22 budget is based on the following key assumptions:

#### ***Revenues***

- Increased the tipping fee from \$57 to \$58 per wet ton,
- Maintain the estimated biosolids receipts of 145,000 tons, and
- \$2 million capital call to support the proposed capital improvement plan (CIP).

#### ***O&M Expenses***

- Maintain staffing at 25 full time equivalent (FTE) positions

**Capital Improvement Plan (CIP)**

The proposed FY 2021/22 capital improvement plan of \$1 million is funded by a combination of reserves and capital call. A summary of the CIP is shown below in Table 1.

**Table 1: FY 2021/22 Proposed Capital Improvement Plan**

(\$ 000's)	Actual FY 2019/20	Amended Budget FY 2020/21	Proposed Budget FY 2021/22
Replacement & Rehabilitation (R&R)	\$0.839	\$1,778	\$1,000
Capital Expansion	0.343	0.009	0
<b>Total</b>	<b>\$1,182</b>	<b>\$1,787</b>	<b>\$1,000</b>

The proposed FY 2021/22 CIP of \$1 million is significantly lower than the amended budget of \$1.8 million due to the completion of the front-end loader replacement and glulam roof improvement projects. Capital replacement and rehabilitation (R&R) continue to be the emphasis of the proposed CIP.

**FY 2021/22 Budget Summary**

The following section summarizes the proposed FY 2021/22 budget for total revenues, expenses, and capital expenditures.

Total revenues in FY 2021/22 of \$11.1 million, as shown in Table 2 below, are slightly higher than amended budget for FY 2020/21, due to the increase in tipping fee and contributed capital.

**Table 2: FY 2021/22 Revenues**

<u>REVENUES</u>	<u>\$ 000's</u>	<u>Assumptions</u>
Tipping Fees	\$8,410	Based on 145,000 wet tons per year @ a rate of \$58/ton.
Contributed Capital	\$2,000	Capital call equally shared by IEUA and LACSD to support capital process improvements.
Compost Sales/ Organics Waste Recycling/Compost Deliveries	600	100% sales of compost products compost delivery service and green waste recycling.
Biosolids Administration Fees	20	Tipping fee surcharge paid by third party biosolids suppliers.
Interest Income & Other Revenues	35	Assumes 1.0% annual interest rate.
<b>Total Revenues</b>	<b>\$11,065</b>	

Total operating expenses of \$9.1 million proposed for FY 2021/22 are approximately \$300,000 higher than amended budget of \$8.8 million. The key driver for the increase is employment costs which are projected to increase due to the projected cost of living adjustment, merit increases, and higher pension and health benefit costs. No change in the authorized staffing level of 25 full time equivalent (FTE) position is proposed. A summary of the FY 2021/22 operating expenses is reported in Table 3.

**Table 3: FY 2021/22 Expenses**

<b>OPERATING EXPENSES</b>	<b>\$ 000's</b>	<b>Assumptions</b>
Employment	\$4,461	Maintain 25 FTE operation support provided by IEUA/ LACSD.
Materials & Supplies	1,414	Includes facility maintenance supplies, fuel, and biofilter media replacement reserve.
Utilities	1,154	Includes power purchases from the grid and solar renewable energy, and an estimated reduction from the additional solar and battery storage installation.
Professional Services	1,171	Includes compost transport and contracted services.
Office & Administration	46	Includes employee training, memberships and office supplies.
Other Expenses	876	Includes leases/rental and financial expenses, insurance, operating fees (Non-Reclaimable Wastewater charges, permits and licenses.)
<b>Total Expenses</b>	<b>\$9,122</b>	

Major capital includes trommel screen, fire sprinkler and building improvement projects. A capital replacement contingency project of \$500,000 is also proposed to support unforeseen expenditures. Schedule C provides a detailed listing of the proposed CIP.

**Table 4: FY 2021/22 Capital Improvement Plan**

<b>CAPITAL PROJECTS</b>	<b>\$ 000's</b>	<b>Project Description</b>
Capital Replacement	\$500	For minor construction projects and unforeseen capital expenditures.
Fire Sprinkler Improvement	\$300	Improve and replace the sprinkler system inside the facility.
Trommel Screen Improvement	\$200	Rehab Vermeer trommel to extend life
<b>Total Capital Improvement Plan</b>	<b>\$1,000</b>	

### **Fund Balance**

Based on the proposed budget, the total ending fund balance is estimated to be \$3.7 million at the end of FY 2021/22; an increase of \$1.4 million from the amended ending balance at June 30, 2021 of \$2.4 million.

### **Designation of Fund Balance**

Maintaining an adequate fund balance is essential in ensuring the JPA's ability to support day-to-day operations and near term operating and capital requirements. Table 5 below summarizes the proposed designation for the estimated fund balance of \$3.7 million at the end of FY 2021/22, along with the intended funding sources. The projected ending reserves meet the minimum required level as defined in the Board adopted Reserve Policy.

**Table 5: FY 2021/22 Fund Balance**

<b>Fund Balance Category</b>	<b>Description</b>	<b>Estimated Ending Balance as of 6/30/2022 (\$ 000's)</b>	<b>Funding Source</b>
Operating Contingency	Equal to three months of operating expenses to address unplanned events.	\$2,218	Tipping fees
Bio-Filter Replacement	Replacement of one sector per year.	250	
Commercial Insurance	Self-insurance program.	250	
Capital/Replacement/ Rehabilitation	Projected R&R costs over the next 5 years averages about \$8.80 per wet ton.	\$1,015	Capital Call and Tipping Fees
<b>Total</b>		<b>\$3,733</b>	

**PRIOR BOARD ACTION**

The Board adopted the FY 2020/21 budget on May 4, 2020.

**IMPACT ON BUDGET**

None.

**Attachments:**

Attachment A – 2021/22 IERCA Budget Summary (Schedule A)

Attachment B – 2021/22 IERCA Budget Details (Schedule B)

Attachment C – 2021/22 IERCA Budget Project Lists (Schedule C)

Attachment D – 2021/22 IERCA Budget Presentation

**Inland Empire Regional Composting Authority  
Schedule A - Budget Summary**

	Actual 2018/19	Actual 2019/20	ADOPTED 2020/21	AMENDED 2020/21	PROJECTED 2020/21	PROPOSED 2021/22	Forecast				
							2022/23	2023/24	2024/25	2025/26	2026/27
<b>Rate Per Ton</b>	\$56.00	\$56.00	\$57.00	\$57.00	\$57.00	\$58.00	\$58.00	\$59.00	\$59.00	\$60.00	\$60.00
<b>Actual/Projected Tonnage</b>	151,527	147,606	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
<b>Revenues</b>											
Contributed Capital	\$0	\$0	(\$500,000)	(\$500,000)	(\$500,000)	(\$2,000,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
Biosolids Recycling (Tipping Fees)	(8,520,727)	(8,331,673)	(8,265,000)	(8,265,000)	(8,200,000)	(8,410,000)	(8,410,000)	(8,555,000)	(8,555,000)	(8,700,000)	(8,700,000)
Biosolids Recycling Admin Fees	(22,800)	(14,325)	(20,000)	(20,000)	(19,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Compost Delivery Svs	(148,750)	(225,750)	(150,000)	(150,000)	(160,000)	(150,000)	(175,000)	(200,000)	(200,000)	(225,000)	(225,000)
Compost Sales	(301,634)	(372,832)	(400,000)	(400,000)	(400,000)	(450,000)	(450,000)	(450,000)	(450,000)	(475,000)	(475,000)
Interest Income	(99,734)	(62,576)	(80,000)	(80,000)	(16,000)	(30,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Other Non Operating Revenues	(3,969)	(57,246)	(5,000)	(5,000)	(3,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
<b>Total Revenues Available for Expenses</b>	<b>(\$9,102,405)</b>	<b>(\$9,123,379)</b>	<b>(\$9,420,000)</b>	<b>(\$9,420,000)</b>	<b>(\$9,283,000)</b>	<b>(\$11,065,000)</b>	<b>(\$10,595,000)</b>	<b>(\$10,765,000)</b>	<b>(\$10,765,000)</b>	<b>(\$10,960,000)</b>	<b>(\$10,960,000)</b>
<b>Expenses</b>											
Labor	\$4,007,594	\$4,205,388	\$4,227,107	\$4,227,107	\$4,289,500	\$4,461,100	\$4,594,900	\$4,732,700	\$4,874,700	\$5,020,900	\$5,171,500
Office & Administration	30,016	37,520	52,300	52,300	37,350	45,500	46,410	47,338	48,285	49,251	50,236
Professional Fees & Services	938,372	1,382,259	1,154,207	1,159,532	1,011,000	1,126,500	1,148,630	1,171,203	1,194,227	1,217,711	1,241,666
Professional Fees - Contract Labor LACSD		\$105,063	\$66,450	\$66,450	\$44,500	\$44,500	\$45,390	\$46,297	\$47,224	\$48,168	\$49,132
Materials & Supplies/O&M Projects	1,130,470	994,681	1,211,500	1,266,591	1,121,000	1,164,000	1,187,280	1,211,025	1,235,246	1,259,951	1,285,150
Materials - Bio Filter Media Replacement	57,162	100,000	250,000	250,000	250,000	250,000	255,000	260,100	265,302	270,608	276,020
Insurance	265,293	406,254	483,000	593,000	604,000	647,000	660,000	673,000	686,000	700,000	714,000
Operating Fees	102,777	77,554	82,500	82,500	81,000	84,000	85,680	87,394	89,142	90,924	92,743
Utilities	1,158,177	1,182,701	977,798	977,798	1,090,000	1,154,000	1,177,060	1,200,221	1,224,486	1,248,855	1,274,332
Leases & Rentals	122,757	158,257	135,000	135,000	145,000	145,000	147,900	150,858	153,875	156,953	160,092
Financial Expenses/Non Operating Expenses	71,459	85,937	300	300	200	300	300	300	300	300	300
<b>Total Expenses</b>	<b>\$7,884,077</b>	<b>\$8,735,614</b>	<b>\$8,640,162</b>	<b>\$8,810,578</b>	<b>\$8,673,550</b>	<b>\$9,121,900</b>	<b>\$9,348,550</b>	<b>\$9,580,437</b>	<b>\$9,818,786</b>	<b>\$10,063,622</b>	<b>\$10,315,170</b>
<b>Capital Projects</b>											
Capital Replacement Project	\$2,164,174	\$838,895	\$1,100,000	\$1,778,304	\$1,367,001	\$1,000,000	\$950,000	\$1,200,000	\$1,400,000	\$700,000	\$500,000
Capital Expansion Projects	2,702	343,565	-	8,952	-	-	-	-	-	-	-
<b>Total Capital Projects</b>	<b>\$2,166,876</b>	<b>\$1,182,459</b>	<b>\$1,100,000</b>	<b>\$1,787,256</b>	<b>\$1,367,001</b>	<b>\$1,000,000</b>	<b>\$950,000</b>	<b>\$1,200,000</b>	<b>\$1,400,000</b>	<b>\$700,000</b>	<b>\$500,000</b>
<b>Net Profit/(Loss)</b>	<b>(\$948,549)</b>	<b>(\$794,694)</b>	<b>(\$320,162)</b>	<b>(\$1,177,835)</b>	<b>(\$757,551)</b>	<b>\$943,100</b>	<b>\$296,450</b>	<b>(\$15,437)</b>	<b>(\$453,786)</b>	<b>\$196,378</b>	<b>\$144,830</b>
<b>Reserves</b>											
Beginning Reserve Balance	\$5,290,533	\$4,341,984	\$3,619,060	\$3,547,290	\$3,547,290	\$2,789,739	\$3,732,839	\$4,029,289	\$4,013,852	\$3,560,066	\$3,756,444
<b>Ending Reserve Balance</b>	<b>\$4,341,984</b>	<b>\$3,547,290</b>	<b>\$3,298,898</b>	<b>\$2,369,455</b>	<b>\$2,789,739</b>	<b>\$3,732,839</b>	<b>\$4,029,289</b>	<b>\$4,013,852</b>	<b>\$3,560,066</b>	<b>\$3,756,444</b>	<b>\$3,901,274</b>
Operating Contingency (3mths Expenses)	\$1,956,729	\$2,158,904	\$2,097,541	\$1,390,145	\$2,105,888	\$2,217,975	\$2,273,388	\$2,330,084	\$2,388,371	\$2,448,254	\$2,509,787
Replacement Reserve - BioFilter	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Commercial Insurance	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Capital Replacement & Construction	1,885,255	888,386	701,358	479,311	183,851	1,014,864	1,255,901	1,183,768	671,695	808,191	891,487
<b>Total Reserve Balance</b>	<b>\$4,341,984</b>	<b>\$3,547,290</b>	<b>\$3,298,898</b>	<b>\$2,369,455</b>	<b>\$2,789,739</b>	<b>\$3,732,839</b>	<b>\$4,029,289</b>	<b>\$4,013,852</b>	<b>\$3,560,066</b>	<b>\$3,756,444</b>	<b>\$3,901,274</b>

**Inland Empire Regional Composting Authority  
Schedule B - Budget Detail**

Cost Center	Cost Element	Actual 2018/19	Actual 2019/20	ADOPTED 2020/21	AMENDED 2020/21	PROJECTED 2020/21	PROPOSED 2021/22	2022/23	2023/24	Forecast 2024/25	2025/26	2026/27
<b>Tonage/Rate</b>												
	<b>Tons</b>	<b>151,527</b>	<b>147,606</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>	<b>145,000</b>
	O&M Cost per ton	\$ 52.03	\$ 59.18	\$ 59.59	\$ 60.76	\$ 59.82	\$ 62.91	\$ 64.47	\$ 66.07	\$ 67.72	\$ 69.40	\$ 71.14
	Biofilter Media Replacement Reserve	\$ 1.40	\$ 1.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Capital Expansion Cost per Ton	\$ 0.02	\$ 2.33	\$ -	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Capital Replacement Cost per Ton	\$ 14.28	\$ 5.68	\$ 7.59	\$ 12.26	\$ 9.43	\$ 6.90	\$ 6.55	\$ 8.28	\$ 9.66	\$ 4.83	\$ 3.45
	<b>Total Cost Per Ton</b>	<b>\$ 67.73</b>	<b>\$ 68.59</b>	<b>\$ 67.17</b>	<b>\$ 73.09</b>	<b>\$ 69.25</b>	<b>\$ 69.81</b>	<b>\$ 71.02</b>	<b>\$ 74.35</b>	<b>\$ 77.37</b>	<b>\$ 74.23</b>	<b>\$ 74.59</b>
	Member Contributions	\$ -	\$ -	\$ 3.45	\$ 3.45	\$ 3.45	\$ 13.79	\$ 10.34	\$ 10.34	\$ 10.34	\$ 10.34	\$ 10.34
	CIP Funded by Reserves	\$ 14.30	\$ 8.01	\$ 4.14	\$ 8.88	\$ 5.98	\$ (6.90)	\$ (3.79)	\$ (2.07)	\$ (0.69)	\$ (5.52)	\$ (6.90)
	<b>Rate Per Ton</b>	<b>\$ 53.43</b>	<b>\$ 60.58</b>	<b>\$ 59.59</b>	<b>\$ 60.76</b>	<b>\$ 59.82</b>	<b>\$ 62.91</b>	<b>\$ 64.47</b>	<b>\$ 66.07</b>	<b>\$ 67.72</b>	<b>\$ 69.40</b>	<b>\$ 71.14</b>
	<b>Adopted Rate Per Ton</b>	<b>\$ 56.00</b>	<b>\$ 56.00</b>	<b>\$ 57.00</b>	<b>\$ 57.00</b>	<b>\$ 57.00</b>	<b>\$ 58.00</b>	<b>\$ 58.00</b>	<b>\$ 59.00</b>	<b>\$ 59.00</b>	<b>\$ 60.00</b>	<b>\$ 60.00</b>
<b>Revenues</b>												
				103%								
200112	406000 Compost Delivery Svs	(\$148,750)	(\$225,750)	(\$150,000)	(\$150,000)	(\$160,000)	(\$150,000)	(\$175,000)	(\$200,000)	(\$200,000)	(\$225,000)	(\$225,000)
200112	406200 Compost Sales	(301,634)	(372,832)	(400,000)	(400,000)	(400,000)	(450,000)	(450,000)	(450,000)	(450,000)	(475,000)	(475,000)
	<b>Service Charges</b>	<b>(450,384)</b>	<b>(598,582)</b>	<b>(550,000)</b>	<b>(550,000)</b>	<b>(560,000)</b>	<b>(600,000)</b>	<b>(625,000)</b>	<b>(650,000)</b>	<b>(650,000)</b>	<b>(700,000)</b>	<b>(700,000)</b>
200112	404010 Biosolids Recycling ( <i>Tipping Fees</i> )	(8,520,727)	(8,331,673)	(8,265,000)	(8,265,000)	(8,200,000)	(8,410,000)	(8,410,000)	(8,555,000)	(8,555,000)	(8,700,000)	(8,700,000)
200112	409920 Biosolids Recycling Admin Fees	(22,800)	(14,325)	(20,000)	(20,000)	(19,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
	<b>Sales</b>	<b>(8,543,527)</b>	<b>(8,345,998)</b>	<b>(8,285,000)</b>	<b>(8,285,000)</b>	<b>(8,219,000)</b>	<b>(8,430,000)</b>	<b>(8,430,000)</b>	<b>(8,575,000)</b>	<b>(8,575,000)</b>	<b>(8,720,000)</b>	<b>(8,720,000)</b>
211112	412030 Energy/Cap Rebates	-	-	-	-	-	-	-	-	-	-	-
	<b>Other Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Operating Revenues</b>	<b>(\$8,993,911)</b>	<b>(\$8,944,580)</b>	<b>(\$8,835,000)</b>	<b>(\$8,835,000)</b>	<b>(\$8,779,000)</b>	<b>(\$9,030,000)</b>	<b>(\$9,055,000)</b>	<b>(\$9,225,000)</b>	<b>(\$9,225,000)</b>	<b>(\$9,420,000)</b>	<b>(\$9,420,000)</b>
211112	480110 Interest Income	(\$99,734)	(\$62,576)	(\$80,000)	(\$80,000)	(16,000)	(\$30,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)	(\$35,000)
211112	483010 Contributed Capital			(500,000)	(500,000)	(500,000)	(2,000,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
211112	493110 Proceeds from Investments	(4,791)	(58,977)	-	-	15,000	-	-	-	-	-	-
211112	499010 Other Non Operating Revenues	(3,969)	(57,246)	(5,000)	(5,000)	(3,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
	<b>Non Operating Revenues</b>	<b>(\$108,493)</b>	<b>(\$178,799)</b>	<b>(\$585,000)</b>	<b>(\$585,000)</b>	<b>(\$504,000)</b>	<b>(\$2,035,000)</b>	<b>(\$1,540,000)</b>	<b>(\$1,540,000)</b>	<b>(\$1,540,000)</b>	<b>(\$1,540,000)</b>	<b>(\$1,540,000)</b>
	<b>TOTAL REVENUES</b>	<b>(\$9,102,405)</b>	<b>(\$9,123,379)</b>	<b>(\$9,420,000)</b>	<b>(\$9,420,000)</b>	<b>(\$9,283,000)</b>	<b>(\$11,065,000)</b>	<b>(\$10,595,000)</b>	<b>(\$10,765,000)</b>	<b>(\$10,765,000)</b>	<b>(\$10,960,000)</b>	<b>(\$10,960,000)</b>

**Inland Empire Regional Composting Authority**  
**Schedule B - Budget Detail**

Cost Center	Cost Element	Actual 2018/19	Actual 2019/20	ADOPTED 2020/21	AMENDED 2020/21	PROJECTED 2020/21	PROPOSED 2021/22	2022/23	2023/24	Forecast 2024/25	2025/26	2026/27	
<b>Expenses</b>													
<u>Office &amp; Administration</u>													
211112	511220	Travel Costs - Mileage Reimbursement	\$462	\$44	\$1,000	\$1,000	\$0	\$0	\$0	\$0	\$0	\$0	
211112	511330	Safety Awards	283		300	300	100	153	156	159	162	166	
211112	512010	Office Supplies-General	5,374	6,006	8,000	8,000	10,000	8,000	8,160	8,323	8,490	8,833	
211112	512210	Forms, Printing and Copying costs	451	609	1,000	1,000	2,000	5,100	5,202	5,306	5,412	5,520	
211112	512350	Postage and Delivery Charges	2,983	2,731	3,000	3,000	2,500	2,550	2,601	2,653	2,706	2,760	
211112	512520	Computer Software & License Fees	15,303	5,097	16,000	16,000	9,000	16,320	16,646	16,979	17,319	17,665	
211112	513010	Meeting Expenses	391	688	1,000	1,000	500	357	364	371	379	386	
211112	514010	Memberships - Agency Wide	5,563	12,200	12,000	12,000	12,000	12,240	12,485	12,735	12,990	13,249	
211112	514210	Registration-DMV, Title, Permit, Applic					500	510	520	531	541	552	
211112	515030	Contributions-Sponsorships	1,425	750			750	1,020	1,040	1,061	1,082	1,104	
211112	519110	Inventory-Count Adjustment	(2,878)	2,315	5,000	5,000							
211112	519130	Inventory-Freight/Price	7,045	7,347	5,000	5,000							
211112	519160	Price Adjustment Inventory	(3,358)	(873)									
211112	519510	Othr Admin Expense	240										
211112	519530	Fines & Penalties	373										
211112	519590	GI/IR Expense Clearing	(3,640)	606	-	-	-	-	-	-	-	-	
<b>Office &amp; Administration Expenses</b>			<b>\$30,016</b>	<b>\$37,520</b>	<b>\$52,300</b>	<b>\$52,300</b>	<b>\$37,350</b>	<b>\$45,500</b>	<b>\$46,410</b>	<b>\$47,338</b>	<b>\$48,285</b>	<b>\$49,251</b>	<b>\$50,236</b>
<u>Materials &amp; Supplies</u>													
211112	512110	Operating Supplies - General	\$34,871	\$8,991	\$16,000	\$16,000	\$0	\$0	\$0	\$0	\$0	\$0	
211112	512140	Uniform / Throw Rugs	32,668	31,755	34,000	39,663	34,000	36,000	36,720	37,454	38,203	38,967	
211112	512170	Operations & Maintenance Supplies	667,361	590,251	650,000	660,098	650,000	663,000	676,260	689,785	703,581	717,652	
211112	512410	Fuel	150,979	126,459	175,000	209,645	125,000	166,000	169,320	172,706	179,684	183,277	
211112	512450	Fleet Parts & Supplies		2,403									
211112	512610	Equipment - Small Tools/Equip. <\$1000		1,093			1,500	1,500	1,530	1,561	1,592	1,624	
211112	512660	Equipment - Small Tools/Equip.< \$2000		1,030	1,500	1,500	500	510	520	531	541	552	
211112	512710	Equipment Maintenance & Supplies	224,771	220,555	275,000	279,686	275,000	280,500	286,110	291,832	297,669	303,622	
211112	512910	Other Materials & Supplies	19,820	12,144	60,000	60,000	35,000	35,700	36,414	37,142	37,885	38,643	
211112	512920	Biofilter Media Replacement	57,162	100,000	250,000	250,000	250,000	255,000	260,100	265,302	270,608	276,020	
<b>Materials &amp; Supplies</b>			<b>\$1,187,632</b>	<b>\$1,094,681</b>	<b>\$1,461,500</b>	<b>\$1,516,591</b>	<b>\$1,371,000</b>	<b>\$1,414,000</b>	<b>\$1,442,280</b>	<b>\$1,471,126</b>	<b>\$1,500,548</b>	<b>\$1,530,559</b>	<b>\$1,561,170</b>

**Inland Empire Regional Composting Authority**  
**Schedule B - Budget Detail**

Cost Center	Cost Element	Actual 2018/19	Actual 2019/20	ADOPTED 2020/21	AMENDED 2020/21	PROJECTED 2020/21	PROPOSED 2021/22	2022/23	2023/24	Forecast 2024/25	2025/26	2026/27
<b>Insurance</b>												
211112	517010 Insurance Premiums - Liability	\$264,186	\$406,254	\$450,000	\$560,000	\$571,000	\$600,000	\$612,000	\$624,240	\$636,725	\$649,459	\$662,448
211112	517110 Insurance Premiums - Motor vehicles	1,107										
211112	517210 Insurance Premiums - Casualty	-		33,000	33,000	33,000	47,000	48,000	48,760	49,275	50,541	51,552
	<b>Insurance</b>	<b>\$265,293</b>	<b>\$406,254</b>	<b>\$483,000</b>	<b>\$593,000</b>	<b>\$604,000</b>	<b>\$647,000</b>	<b>\$660,000</b>	<b>\$673,000</b>	<b>\$686,000</b>	<b>\$700,000</b>	<b>\$714,000</b>
<b>Professional Fees &amp; Services</b>												
211112	520110 External Audit Services	\$4,230	\$4,310	\$5,000	\$5,000	\$1,500	\$4,500	\$4,590	\$4,682	\$4,775	\$4,871	\$4,968
211112	520210 Legal Fees - General	26,990	7,860	25,000	25,000	10,000	20,000	20,000	20,000	20,000	20,000	20,000
211112	520980 Professional Services - Other		243,088	249,375	249,375	250,000	250,000	255,000	260,100	265,302	270,608	276,020
211112	521015 Contract Labor_IEUA (211112-701009-210000)	3,940,241	4,205,388	4,227,107	4,227,107	4,289,500	4,461,100	4,594,900	4,732,700	4,874,700	5,020,900	5,171,500
211112	521010 Contract Labor - LACSD	46,868	104,474	36,000	36,000	36,000	36,000	36,720	37,454	38,203	38,967	39,747
212112	521018 Contract Labor-LACSD	9,024	178	15,000	15,000	8,500	8,500	8,670	8,843	9,020	9,201	9,385
211112	521030 Contract Burden - LACSD	11,462	412	15,450	15,450							
211112	521050 Contract Materials	1,792	62									
211112	521080 Other Contractual Services	856,980	1,086,246	820,832	821,192	700,000	800,000	816,000	832,320	848,966	865,946	883,265
211112	521110 Outside Svc's-Lndscaping/Weed/Pest Cntro	10,820	6,590	11,500	11,500	14,000	14,000	14,280	14,566	14,857	15,154	15,457
211112	521120 Outside Services - Security	16,332	15,257	20,000	24,965	15,000	15,000	15,300	15,606	15,918	16,236	16,561
211112	521130 Outside Services - Janitorial	13,998	13,801	15,000	15,000	14,000	15,000	15,300	15,606	15,918	16,236	16,561
211112	521220 Laboratory Services - Outside	6,334	5,044	7,500	7,500	5,500	7,000	7,140	7,283	7,429	7,577	7,729
211112	521410 Computer Systems Maintenance	895				1,000	1,000	1,020	1,040	1,061	1,082	1,104
	<b>Prof. fees &amp; Services</b>	<b>\$4,945,966</b>	<b>\$5,692,710</b>	<b>\$5,447,764</b>	<b>\$5,453,089</b>	<b>\$5,345,000</b>	<b>\$5,632,100</b>	<b>\$5,788,920</b>	<b>\$5,950,200</b>	<b>\$6,116,151</b>	<b>\$6,286,779</b>	<b>\$6,462,297</b>
<b>Operating Fees</b>												
211112	519310 Operating Permits, Licenses & Fees	\$17,496	\$16,734	\$22,000	\$22,000	\$21,000	\$22,000	\$22,440	\$22,889	\$23,347	\$23,814	\$24,290
211112	540110 Wastewater-Volumetric Fees	13,617	8,462	13,500	13,500	10,500	10,500	10,710	10,924	11,143	11,366	11,593
211112	540210 Strength Charges-BOD/COD	9,546	8,957	8,000	8,000	8,500	8,500	8,670	8,843	9,020	9,201	9,385
211112	540211 Strength Charges-BOD/COD Imbalance	4,067	1,184	1,000	1,000	1,000	1,000	1,020	1,040	1,061	1,082	1,104
211112	540220 Strength Charges-TSS	13,249	8,102	6,500	6,500	8,500	6,500	6,630	6,763	6,898	7,036	7,177
211112	540223 Strength Charges-TSS Discrepancy Charge	8,516	3,944	5,500	5,500	4,500	5,500	5,610	5,722	5,837	5,953	6,073
211112	540320 Monthly Capacity Charge-Regional			1,000	1,000							
211112	540330 Capital Improv Proj (CIP) Fees	36,287	30,171	25,000	25,000	27,000	30,000	30,600	31,212	31,836	32,473	33,122
	<b>Operating Fees</b>	<b>\$102,777</b>	<b>\$77,554</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$81,000</b>	<b>\$84,000</b>	<b>\$85,680</b>	<b>\$87,394</b>	<b>\$89,142</b>	<b>\$90,924</b>	<b>\$92,743</b>



**Inland Empire Regional Composting Authority**  
**Schedule B - Budget Detail**

Cost Center	Cost Element	Actual 2018/19	Actual 2019/20	ADOPTED 2020/21	AMENDED 2020/21	PROJECTED 2020/21	PROPOSED 2021/22	2022/23	2023/24	Forecast 2024/25	2025/26	2026/27
<b>Utilities</b>												
211112	545110 Electricity	\$911,093	\$948,915	\$725,000	\$725,000	\$834,000	\$901,000	\$919,000	\$937,000	\$956,000	\$975,000	\$995,000
211112	545220 Solar Power	221,315	206,120	224,298	224,298	225,000	225,000	229,500	234,090	238,772	243,547	248,418
211112	545310 Cell Phone Accessories	50		200	200	200	200	204	208	212	216	221
211112	545311 Cell Phone Expenses	7,875	6,906	8,000	8,000	7,500	7,500	7,650	7,803	7,959	8,118	8,281
211112	545320 Telephone	333	1,962	300	300	300	300	306	312	318	325	331
211112	545360 Disposal Service	12,653	11,643	15,000	15,000	18,000	15,000	15,300	15,606	15,918	16,236	16,561
211112	545370 Water	4,859	7,156	5,000	5,000	5,000	5,000	5,100	5,202	5,306	5,412	5,520
	<b>Utilities</b>	<b>\$1,158,177</b>	<b>\$1,182,701</b>	<b>\$977,798</b>	<b>\$977,798</b>	<b>\$1,090,000</b>	<b>\$1,154,000</b>	<b>\$1,177,060</b>	<b>\$1,200,221</b>	<b>\$1,224,486</b>	<b>\$1,248,855</b>	<b>\$1,274,332</b>
<b>Leases / Rentals</b>												
211112	512730 Equipment Rental (Non Lease)	\$37,730	\$71,744	\$45,000	\$45,000	\$55,000	\$55,000	\$56,100	\$57,222	\$58,366	\$59,534	\$60,724
211112	547110 Building / Trailer Leases	85,028	86,513	90,000	90,000	90,000	90,000	91,800	93,636	95,509	97,419	99,367
	<b>Lease/Rentals</b>	<b>122,757</b>	<b>158,257</b>	<b>135,000</b>	<b>135,000</b>	<b>145,000</b>	<b>145,000</b>	<b>147,900</b>	<b>150,858</b>	<b>153,875</b>	<b>156,953</b>	<b>160,092</b>
	Expense Allocation	50,580										
	<b>Other Expenses</b>	<b>50,580</b>		-	-	-	-	-	-	-	-	-
	<b>Operating Expenses</b>	<b>\$7,863,198</b>	<b>\$8,649,677</b>	<b>\$8,639,862</b>	<b>\$8,810,278</b>	<b>\$8,673,350</b>	<b>\$9,121,600</b>	<b>\$9,348,250</b>	<b>\$9,580,137</b>	<b>\$9,818,486</b>	<b>\$10,063,322</b>	<b>\$10,314,870</b>
<b>Financial Expenses</b>												
211112	551010 Bank Service Charges / Fees	\$394	\$0	\$300	\$300	\$200	\$300	\$300	\$300	\$300	\$300	\$300
211112	580050 Bad Debt Expense	3,016	3,728									
	<b>Financial Expenses</b>	<b>\$3,410</b>	<b>\$3,728</b>	<b>\$300</b>	<b>\$300</b>	<b>\$200</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>
<b>Other Non-Operating Expenses</b>												
211112	580090 Non-Operating Other Expenses	\$17,469	\$82,209									
	<b>Interest Expenses</b>	<b>\$17,469</b>	<b>\$82,209</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>Non-Operating Expenses</b>	<b>\$20,879</b>	<b>\$85,937</b>	<b>\$300</b>	<b>\$300</b>	<b>\$200</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>	<b>\$300</b>
<b>Capital Projects</b>												
	Capital Replacement Projects	\$2,164,174	\$838,895	\$1,100,000	\$1,778,304	\$1,367,001	\$1,000,000	\$950,000	\$1,200,000	\$1,400,000	\$700,000	\$500,000
	Capital Expansion Projects	2,702	343,565	-	8,952	-	-	-	-	-	-	-
	<b>Capital Projects</b>	<b>\$2,166,876</b>	<b>\$1,182,459</b>	<b>\$1,100,000</b>	<b>\$1,787,256</b>	<b>\$1,367,001</b>	<b>\$1,000,000</b>	<b>\$950,000</b>	<b>\$1,200,000</b>	<b>\$1,400,000</b>	<b>\$700,000</b>	<b>\$500,000</b>
	<b>TOTAL EXPENSES</b>	<b>\$10,050,954</b>	<b>\$9,918,073</b>	<b>\$9,740,162</b>	<b>\$10,597,835</b>	<b>\$10,040,551</b>	<b>\$10,121,900</b>	<b>\$10,298,550</b>	<b>\$10,780,437</b>	<b>\$11,218,786</b>	<b>\$10,763,622</b>	<b>\$10,815,170</b>
	<b>Net Profit/(Loss)</b>	<b>(\$948,549)</b>	<b>(\$794,694)</b>	<b>(\$320,162)</b>	<b>(\$1,177,835)</b>	<b>(\$757,551)</b>	<b>\$943,100</b>	<b>\$296,450</b>	<b>(\$15,437)</b>	<b>(\$453,786)</b>	<b>\$196,378</b>	<b>\$144,830</b>

**Inland Empire Regional Composting Authority**  
**Schedule C - Projects**

Project No.	Project Title	ACTUAL	ACTUAL	ADOPTED	AMENDED	PROJECTED	PROPOSED	FORECAST				
		2018/19	2019/20	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Capital Projects</b>												
<b>Capital Replacement</b>												
RA17001	IERCF Transition Air Duct Improvements	10,644	15,982	-	-	18,665	-	-	-	-	-	-
RA17007	IERCF Building Improvements	37,698	168,678	-	430,322	300,000	-	-	-	-	-	-
RA19002	IERCF Trommel Screen Improvements	1,363,765	75,893	-	-	-	200,000	-	-	200,000	-	-
RA19003	IERCF Front End Loader Replacement	-	101,019	500,000	507,127	507,127	-	-	-	-	-	-
RA20003	IERCF Belt Conveyor Improvements	137,165	-	-	-	-	-	250,000	-	-	200,000	-
RA20004	IERCF Misc Fan Improvements	-	-	-	-	-	-	-	300,000	-	-	-
RA20005	RCA Capital Replacement	-	193,563	300,000	210,855	210,000	500,000	500,000	500,000	500,000	500,000	500,000
RA20008	Glulam Repair Roof	-	3,636	-	330,000	281,209	-	-	-	-	-	-
RA21001	IERCF Fire Sprinkler Improvements	-	-	300,000	300,000	50,000	300,000	-	-	-	-	-
RA24001	IERCF Corrosion Replacement	-	-	-	-	-	-	-	200,000	-	-	-
RA25001	IERCF Compost Storage Facility Tent Cover	-	-	-	-	-	-	-	-	700,000	-	-
RA23001	IERCF Inner Roof Lining Repair	-	-	-	-	-	-	200,000	200,000	-	-	-
RA26xxx	IERCF Projects AMP	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Replacement Projects</b>		<b>\$2,164,174</b>	<b>\$838,895</b>	<b>\$1,100,000</b>	<b>\$1,778,304</b>	<b>\$1,367,001</b>	<b>\$1,000,000</b>	<b>\$950,000</b>	<b>\$1,200,000</b>	<b>\$1,400,000</b>	<b>\$700,000</b>	<b>\$500,000</b>
<b>Capital Expansion</b>												
RA15001	IERCF Baghouse Improvements	2,702	343,532	-	8,952	-	-	-	-	-	-	-
<b>Total Capital Expansion Projects</b>		<b>\$2,702</b>	<b>\$343,565</b>	<b>\$0</b>	<b>\$8,952</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Capital Projects</b>		<b>\$2,166,876</b>	<b>\$1,182,459</b>	<b>\$1,100,000</b>	<b>\$1,787,256</b>	<b>\$1,367,001</b>	<b>\$1,000,000</b>	<b>\$950,000</b>	<b>\$1,200,000</b>	<b>\$1,400,000</b>	<b>\$700,000</b>	<b>\$500,000</b>
<b>Total Projects</b>		<b>\$2,166,876</b>	<b>\$1,182,459</b>	<b>\$1,100,000</b>	<b>\$1,787,256</b>	<b>\$1,367,001</b>	<b>\$1,000,000</b>	<b>\$950,000</b>	<b>\$1,200,000</b>	<b>\$1,400,000</b>	<b>\$700,000</b>	<b>\$500,000</b>



**FY 2021/22  
Proposed Budget**

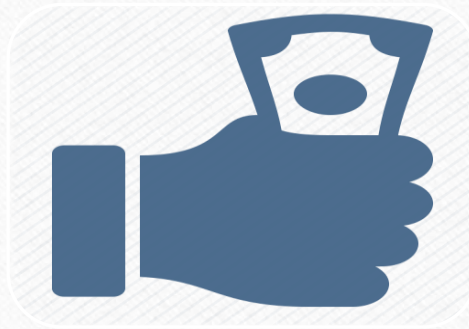
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# Key Assumptions



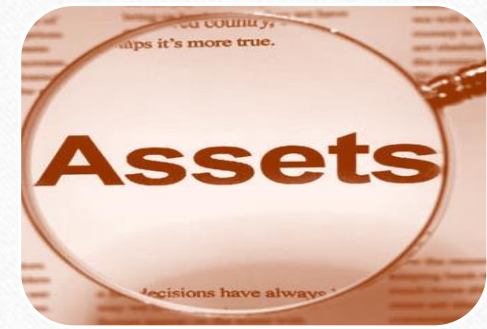
**\$58 per wet Ton –  
Tipping Fees  
(\$1 dollar increase)**



**\$2 Million  
Capital Call**



**25 FTE Staffing  
Level Maintained**



**Timely Upkeep of  
Assets to Support  
Level of Service**



# FY 2021/22 Proposed Budget

(\$ in thousand)	FY 2020/21 Amended Budget	FY 2021/22 Proposed Budget	Increase/ (Decrease)
<i>Tipping fee per wet ton, based on 145,000 wet tons</i>	\$57	\$58	\$1
Operating Revenues	\$8,835	\$9,030	\$195
Operating Expenses	8,810	9,122	312
<b>Net Operating Increase/(Decrease)</b>	<b>\$25</b>	<b>(\$92)</b>	<b>(\$117)</b>
Other Funding Sources <sup>1</sup>	\$585	\$2,035	\$1,450
Other Uses of Funds <sup>2</sup>	1,788	1,000	(788)
<b>Net Non-Operating Increase/(Decrease)</b>	<b>(\$1,203)</b>	<b>\$1,035</b>	<b>\$2,237</b>
<b>Total Net Change</b>	<b>(\$1,178)</b>	<b>\$943</b>	<b>\$2,120</b>

<sup>1</sup> Includes proposed capital call and interest income

<sup>2</sup> Includes planned capital project costs



# Capital Improvement Plan

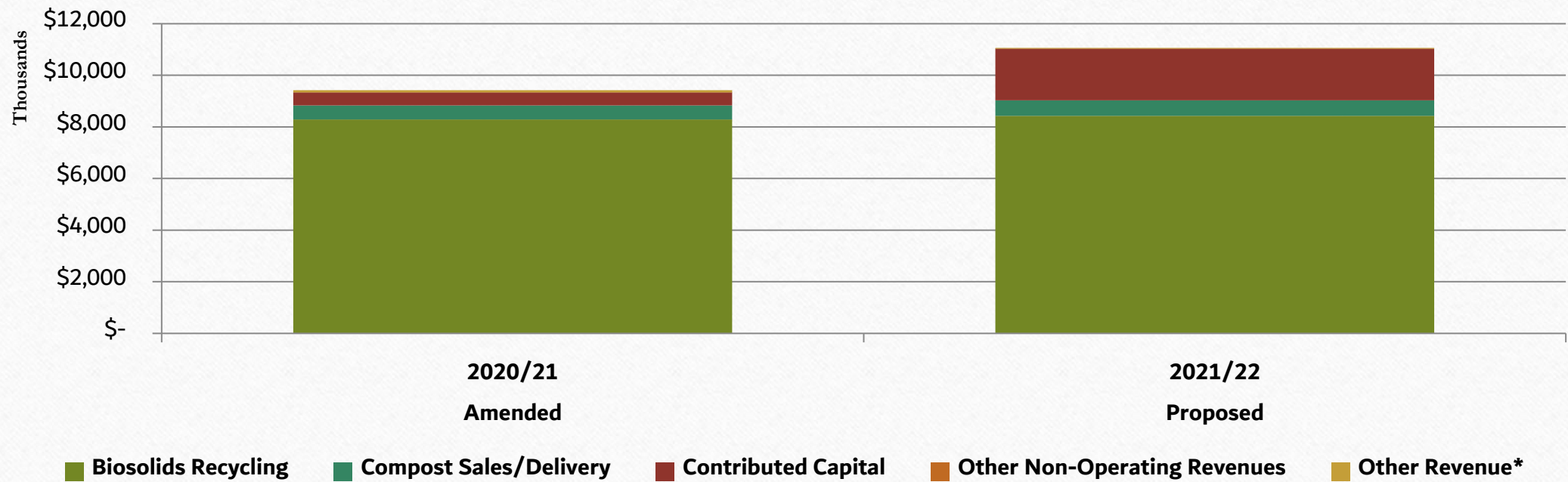
Project Description (\$ in thousand)	FY 2020/21 Amended Budget	FY 2021/22 Proposed Budget	Increase/ (Decrease)
Capital Replacement & Rehabilitation (R&R)	\$211	\$500	\$289
Fire Sprinkler Improvements	300	300	-
Belt Conveyor & improvement		200	200
Front End Loader Replacement	507	-	(507)
Glulam Roof Repair	330	-	(330)
Building Improvements	430	-	(430)
<b>Total Capital Improvement Plan</b>	<b>\$1,778</b>	<b>\$1,000</b>	<b>(\$778)</b>



# Revenues

*Increase due to \$2 million contributed capital  
and \$1 increase in tipping fee*

## Total Revenues

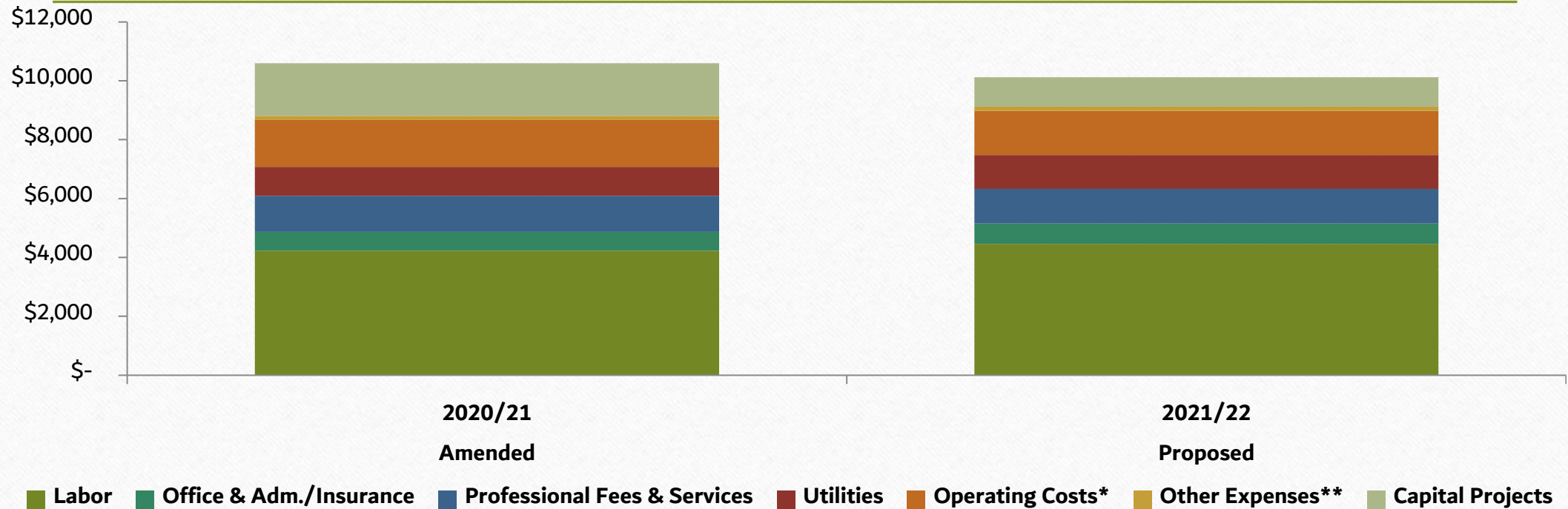


\*Other Income include interest income and credits



# Expenses

*Decrease due to lower capital projects*



*\*Operating costs include operating fees, biofilter replacement, materials & supplies*

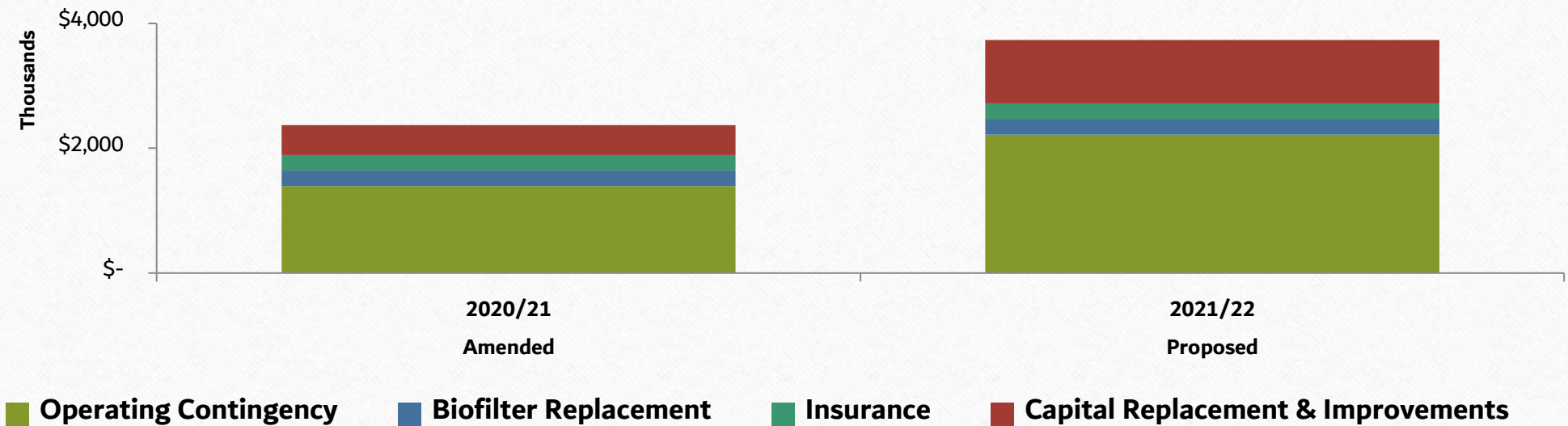
*\*\*Other expenses include lease & rentals, financial expenses*





# Fund Balance

*Meet Reserve Policy Minimum Reserve Levels*



**Questions?**



**ACTION  
ITEM**



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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Jeff Ziegenbein  
Project Manager *JZ 836*  
Mike Sullivan  
Assistant Project Manager

**Subject:** Annual Management Plan

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### **RECOMMENDATION**

It is recommended that the Board of Directors approve the Fiscal Year 2021/22 Annual Management Plan.

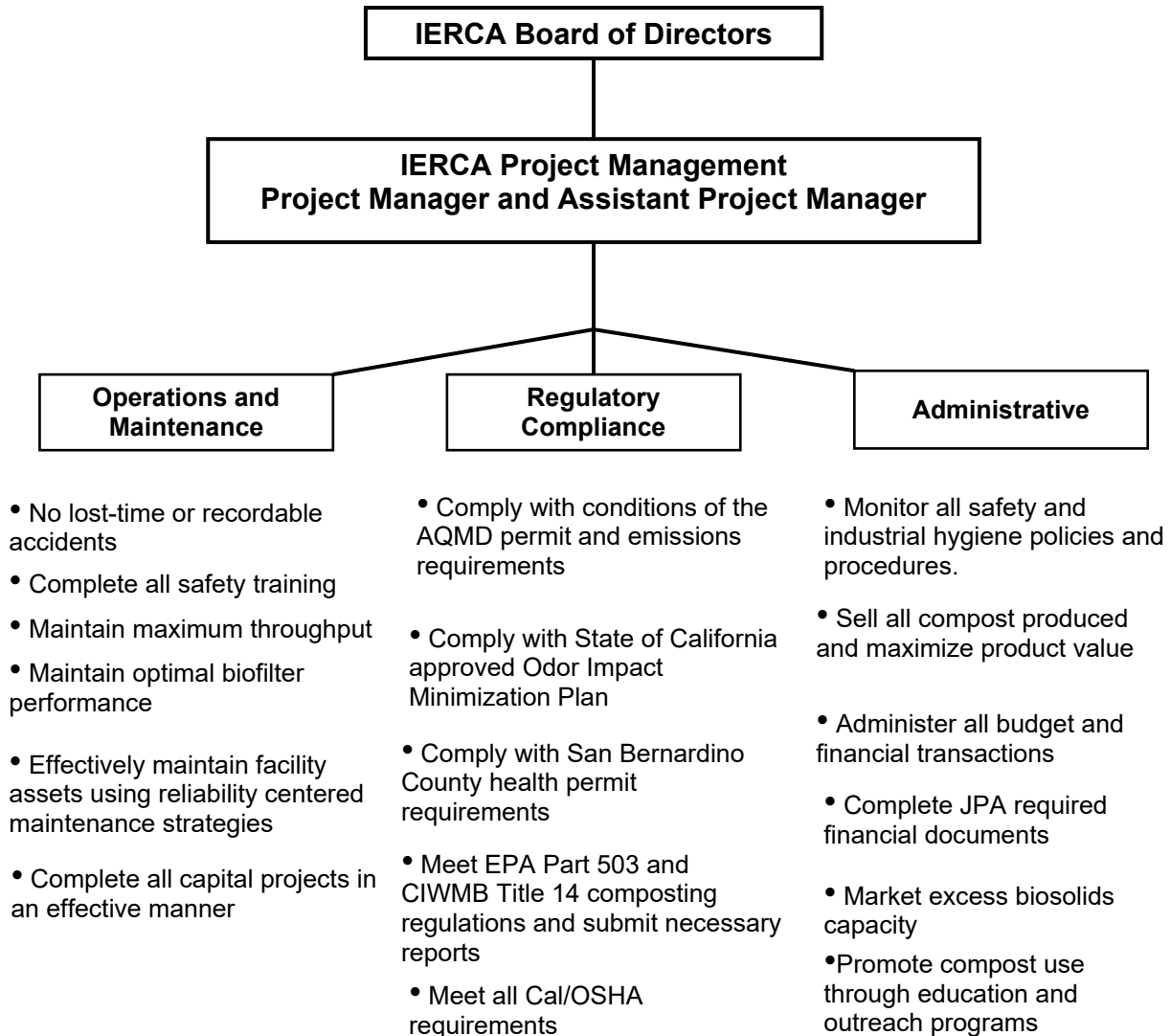
### **BACKGROUND**

The Joint Powers Agreement (JPA) between the Inland Empire Utilities Agency (IEUA) and the Los Angeles County Sanitation Districts (LACSD) requires the development of an Annual Management Plan for the Inland Empire Regional Composting Facility (IERCF). The Plan is to be submitted for Board approval by June of each year. The Project Manager and Assistant Project Manager are responsible for development and implementation of the plan.

The key focus areas of the Annual Management Plan are:

- Maintaining a safe work environment
- Maximizing facility throughput
- Maintaining 100% regulatory compliance
- Maintaining optimal staffing
- Expanding compost markets and selling all compost at optimum pricing

**Fiscal Year 2020/21 Annual Management Plan For the  
Inland Empire Regional Composting Facility**



### **Throughput**

The IERCF team will continue to focus on maintaining maximum throughput at the composting facility. IERCF’s operating permit through the South Coast Air Quality Management District allows a maximum of 17,715 tons per month of biosolids and amendments to be accepted at the facility. The project is expected to meet or exceed budget projections of 145,000 tons of biosolids for the fiscal year. IERCF is currently receiving 200 tons each week from Orange County Sanitation Districts. The project team will continue to monitor regional biosolids recycling rates and look for opportunities to market IERCF capacity at best value to other biosolids generators. The diversified supply of biosolids will enable the team to ensure that the IERCF remains at maximum throughput.

### **Compliance**

The IERCF team will ensure that the facility remains in compliance with all applicable rules and conditions. The facility has met all permit conditions and completed all regulator inspections without any compliance issues or areas of concern. The compost produced meets EPA standards for Class A Exceptional Quality which is verified through operational documentation and monthly testing at a nationally certified laboratory.

### **Staffing**

Table 1: IERCF Staffing

Title	21/22
Mgr. of Regional Compost Authority	1
Administrative Assistant II	1
Compost Sales Representative	1
Administrative Assistant I	1
Compost Facility Supervisors	2
Compost Operators	9
Compost Workers	2
Maintenance	8
IERCF Total	25

In addition to the IERCF staff, LACSD staff may work part time in several key areas including, but not limited to, safety and industrial hygiene, regulatory compliance, operations, and management support. IEUA staff provides support in key areas including finance, engineering, human resources, technical support, maintenance, and information technologies.

### **Compost Sales and Marketing**

The IERCF sales team will continue to focus on the expansion of compost sales into the agricultural sector. The agricultural market sector currently represents approximately 35% of the IERCF sales and has the potential to purchase and use all of the compost produced at the IERCF. To boost agricultural markets and to develop metrics to quantify environmental benefits, the sales team is exploring the establishment of a local farm project. The project would include an agreement with a local university to monitor and report key parameters such as water savings, carbon sequestration, yield and soil health.

The Project Manager is authorized to enter into pricing agreements based on market conditions. A tiered pricing system was initiated offering incentives to customers to purchase larger volumes of compost in exchange for pricing discounts. The system successfully increased sales and several new and existing customers have purchased volumes that qualified them for these discounts. Additionally, some customers qualify for further pricing incentives in exchange for high-volume commitments. All prices are listed as will called at the IERCF and do not include transportation. Transportation is often provided by the customers, but in the event that IERCA provides the transportation service, a line item is typically added to the sales invoice detailing the reimbursable hauling charges. Compost prices are shown in table 2.

Table 2: IERCF Tiered Pricing Structure

Tier	CYDs/Month	Premium (CYD)
1	<499	\$5.00
2	500-999	\$4.00
3	≥1,000	\$3.50

The management team will continue to evaluate market conditions and adjust prices accordingly. The compost storage facility will continue to be used to buffer market and weather fluctuations.

### **PRIOR BOARD ACTION**

The Fiscal Year 2020/21 Annual Management Plan was approved by the Board of Directors on May 4, 2020.

### **IMPACT ON BUDGET**

None

**ACTION  
ITEM**





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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Jeff Ziegenbein  
Project Manager

*JZ 836*

Mike Sullivan  
Assistant Project Manager

**Subject:** Master Service Agreement with RDO Equipment Company

---

### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve a Master Service Agreement with RDO Equipment Company (RDO) to provide parts, service, and equipment rental in support of the IERCF mobile equipment fleet and stationary trommel screens from an annual not-to-exceed \$325,000.
2. Authorize the IEUA Manager of Contracts and Procurement to finalize and execute the purchase agreement.

### **BACKGROUND**

The Inland Empire Regional Composting Facility (IERCF) currently has a master service agreement (MSA) with RDO to provide parts, service and rental for the facility's John Deere front end wheel loaders and a Vermeer screening system. Throughout the term of the existing MSA RDO has provided excellent service and warranties on all the parts and labor. Approximately 1/3 of the replaced parts including labor is currently under warranty with RDO. In our experience we have utilized our warranties frequently thus minimizing the cost to the IERCF.

RDO provides parts on consignment at the IERCF reducing costs and risk for parts supplies while speeding up parts acquisition. RDO also provides field service for repairs at the IERCF or at their shop in Riverside when necessary. They have also provided rental machines at no cost to the IERCA when a machine is down for an extended period of time under warranty.

Staff is recommending that the authorized annual spending limit with RDO be decreased from \$400,000 to \$325,000. This decrease is due to the replacement of one of the trommel screens and

potential loader fleet upgrades. There is sufficient budget available to support the change that will be utilized to maintain the loader fleet and trommel screen.

### **PRIOR BOARD ACTION**

The IERCA Board approved RDO Master service agreement with an annual not-to-exceed spending limit of \$250,000 during the August 1, 2016 Board meeting.

The IERCA Board approved an amendment to the agreement increasing the annual limit to \$400,000 on February 6, 2017.

### **IMPACT ON BUDGET**

Funds are available in the IERCA FY 21/22 budget to cover the cost of the agreement.

**ACTION  
ITEM**



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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Christina Valencia *CV#649*  
Treasurer

**Subject:** Adoption of Depository Agreement and Investment Fund Signatory Resolutions

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**RECOMMENDATION**

It is recommended that the Board of Directors:

1. Adopt Resolution No. 2021-5-1, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds.
2. Adopt Resolution No. 2021-5-2, authorizing participation in the Local Agency Investment Fund and designating signatories for the deposit and withdrawal of funds.

**BACKGROUND**

The attached resolutions have been revised to reflect recent changes in the Authority's signatories.

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

**RESOLUTION NO. 2021-5-1**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE INLAND EMPIRE REGIONAL  
COMPOSTING AUTHORITY, AUTHORIZING AND  
DESIGNATING SIGNATORIES OF DEPOSITORY  
AGREEMENTS, DEPOSITORY CARDS,  
DEPOSITS, TRANSFERS, CHECKS, AND  
WITHDRAWALS OF FUNDS**

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors as follows:

**Section 1.** Depository Agreements. The Treasurer, or Alternate Treasurer, of the Inland Empire Regional Composting Authority (“IERCA”), hereby is authorized to enter into and execute agreements for the deposit or withdrawal of IERCA funds in accounts, pursuant to California Government Code (CGC) §53600, et seq.

Inland Empire Regional Composting Authority:

\_\_\_\_\_ - Christina Valencia  
Treasurer

**Section 2.** Depository Cards. That the persons authorized and directed to execute depository cards for the deposit or withdrawal of funds, for all bank accounts of IERCA is designated as follows, effective May 3, 2021:

\_\_\_\_\_ - Shivaji Deshmukh  
Director

\_\_\_\_\_ - Christiana Daisy  
Deputy General Manager

\_\_\_\_\_ - Christina Valencia  
Exec. Manager of Finance &  
Admin./AGM

- \_\_\_\_\_ - Jeffrey R. Ziegenbein  
Manager of Regional Composting  
Authority
- \_\_\_\_\_ - Jesse Pompa  
Manager of Grants

**Section 3.** Signing of Checks. Checks of the IERCA shall be signed as follows:

- a) Any check up to \$10,000 shall be signed by any one (1) person under Section 2, or with the facsimile signature of a Director listed above.
- b) Any check in excess of \$10,000 shall be signed by any (2) signatories listed under Section 2, or one (1) signatory listed under Section 2 and the facsimile signature of a Director listed above.

**Section 4.** Intrabank Transfers. Written authorization to transfer funds between the Authority's accounts shall be signed by any two (2) persons listed under Section 2.

**Section 5.** Interbank Transfers. Written authorization to transfer funds between the Authority's accounts, held in any of several financial institutions, shall be signed by any two (2) persons listed under Section 2.

**Section 6.** Newly Issued Time Deposits, Certificates of Deposit and Placement Service Certificates of Deposit. Any designated IERCA Director, The Inland Empire Regional Composting Authority Treasurer or Alternate Treasurer, or the Inland Empire Utilities Agency employees listed under Section 2 shall sign receipts for "Notices to Depository-Penalty for Early Withdrawal of Time Deposits, Certificates of Deposit and Placement Service Certificates of Deposit" covering new Deposits issued to the IERCA.

**Section 7.** Maturing Time Deposits, Certificates of Deposit and Placement Service Certificates of Deposit. That any designated IERCA Director, Treasurer, or Alternate Treasurer, or Inland Empire Utilities Agency employees listed under Section 2 shall endorse a maturing Time Deposits, Certificates of Deposit and Placement Service Certificates of Deposit when such an endorsement is required by the issuing financial institution at redemption.

**Section 8.** This resolution shall take effect from and after its date of adoption.

**Section 9.** Rescission of Resolution. Upon adoption of this resolution, Resolution No. 2020-2-1 is hereby rescinded in its entirety.

**ADOPTED AND APPROVED** this 3rd day of May 2021.

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Jon Blickenstaff  
Chairperson

ATTEST:

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Paul Hofer  
Vice Chairperson











**ACTION  
ITEM**



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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Christina Valencia *CV#649*  
Treasurer

**Subject:** Adoption of the Inland Empire Regional Composting Authority's Investment Policy for Fiscal Year (FY) 2021/22

---

### **RECOMMENDATION**

It is recommended that the Board of Directors adopt Resolution No. 2021-5-3 approving the Authority's Investment Policy for FY 2021/22.

### **BACKGROUND**

The Investment Policy (Policy) establishes procedures and guidelines by which temporarily idle funds can be managed in a prudent and fiscally-sound manner. The Policy encompasses those funds over which the Inland Empire Regional Composting Authority (IERCA) exercises fiscal control, stipulates allowable and unallowable investment alternatives, and establishes parameters for selecting broker/dealers and financial institutions with which the IERCA may do business. The Policy also prioritizes the IERCA's public funds management objectives of safety, liquidity, and yield.

The Policy also mandates a review and approval by the Board be done annually, or whenever there are significant changes. The Policy was updated and approved on May 4, 2020.

The IERCA Policy is based on the Inland Empire Utilities Agency Investment Policy, which is reviewed annually by the Agency's financial advisor, PFM Asset Management LLC (PFM). PFM's review focuses on four key policy elements: compliance, comprehensiveness, balance, and clarity. Overall, PFM found the Policy to be comprehensive, well written and in compliance with the California Government Code (CGC) Section 53600.

The Policy remains largely unchanged from the prior year apart from a minor edit related to Senate Bill 998, which took effect on January 1, 2021:

### **Section 8.H. Commercial Paper**

SB 998 allows local agencies that have more than \$100 million of investment assets to invest up to 40% of their assets in commercial paper (the existing limit is 25% for all agencies). Although the Authority could implement the new 40% limit, PFM recommended the existing 25% limit be maintained given the current structure of the portfolio.

SB 998 also eliminated the 10% limit on the outstanding commercial paper of any one issuer and establishes a combined 10% per issuer limit on commercial paper and medium-term notes. The Investment Policy has been updated to remove the 10% limit per issuer on the outstanding commercial paper as it is no longer in the Code. There is no need to incorporate the new 10% per issuer limit as the Authority already has a more restrictive 5% per issuer limit that applies across corporate sectors (Section 11. Diversification).

### **Section 8. Ineligible Investments**

The Investment Policy has been changed to allow investing in securities issued or backed by the U.S. government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. While negative market interest rates are not anticipated, PFM recommended that the Authority incorporate this provision into the Policy, so the Authority has the flexibility to invest should market rates go negative.

The Authority's Policy continues to emphasize the primary objectives of the investment activities of safety, liquidity, and return on investments, listed in order of priority. Attached for your consideration is a copy of the proposed IERCA Investment Policy for FY 2021/22.

### **PRIOR BOARD ACTION**

On May 4, 2020, the Board of Directors adopted Resolution No. 2020-5-1 approving the Inland Empire Regional Composting Authority FY 2020/21 Investment Policy.

### **IMPACT ON BUDGET**

There is no impact on the Authority's FY 2021/22 budget.

#### Attachments:

Attachment A- Blacklined Changes to the Investment Policy

Resolution No. 2021-5-3

Exhibit A – Investment Policy

# INVESTMENT POLICY

2021-2022



*INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY*  
**FY 2021/2022 INVESTMENT POLICY**

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# INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY INVESTMENT POLICY

## 1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Treasurer of the Inland Empire Regional Composting Authority (IERCA) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IERCA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IERCA; and (iii) the highest investment return while conforming to all statutes governing the investment of IERCA funds within the constraints of this Investment Policy.

## 2.0 SCOPE

This Investment Policy applies to all surplus monies of IERCA.

### *Pooling of funds*

Except for cash in certain restricted and special funds, IERCA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies regarding investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## 3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IERCA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the authority.

Designated investment signatories, acting in accordance with written procedures, this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## 4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IERCA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IERCA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments (Yield)*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

## 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the legislative body, to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. Subject to review, the Board of Directors may renew the delegation of the authority each year. The Treasurer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer and Administration. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer shall maintain a list of approved and authorized financial institutions and brokers/dealers, selected at the basis of credit worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IERCA funds, the Treasurer's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IERCA funds are deposited or invested.

The minimum qualifications for IERCA approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the Treasurer and authorized representatives of the respective financial institutions for consideration and execution by the Treasurer.

For *broker/dealer* services utilized to invest in government securities and other investments, the Treasurer is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve IERCA's investment needs.

In order to improve quality services, expertise, and credit worthiness, the Treasurer may, on a selective basis, revise the approved list of brokers/dealers to update qualified brokers/dealers under the requirements of this Investment Policy.

The Treasurer shall maintain a list of approved brokers/dealers and submit the list to the Board of Directors as part of the periodic Investment Policy review process, or more frequently as requested by the Board.

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IERCA's investments are governed by Government Code. Within the investments permitted by the Government Code, IERCA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment Policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor's, F-1 by Fitch, and MIG-1 by Moody's. These ratings for short term municipal securities signify the issuer's strong capacity to pay principal and interest.
- D. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IERCA. Securities eligible for investment under this paragraph shall be rated in a rating category of "A" or its equivalent or better by a NRSRO.
- E. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a

federally licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of "A" (long-term) and/or "A-1" (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.

**G.** Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.

**H.** Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:

- (a) Is organized and operating in the United States as a general corporation;
- (b) Has total assets in excess of five hundred million dollars (\$500,000,000);
- (c) Has debt other than commercial paper, if any, that is rated in rating of "A" or its equivalent or better by a NRSRO.

(2) The entity meets the following criteria:

- (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
- (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
- (c) Has commercial paper that is rated in a rating category of "A-1" or its equivalent or better by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city county, may invest no more than 25 percent of their moneys in eligible commercial paper

**I.** Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code § 16429 and § 16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis. Investment in California LAIF cannot exceed

the maximum deposit per agency limit as set by the Local Agency Investment Fund.

- J. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IERCA has any funds invested in a LGIP, the Treasurer shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

- K. Money Market Funds - Investing solely in U.S. treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000).
- L. Repurchase Agreements - IERCA may invest in repurchase agreements with banks and dealers with which IERCA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

Transactions shall be limited to the primary dealers and banking institutions rated in a rating category of "A" or its equivalent or better by a NRSRO, or with a financially stable banking institution which the IERCA has a substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Treasurer and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral in excess of the value of the repurchase agreement. To conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- M. Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent or better by a NRSRO.

***Ineligible Investments:*** Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

## 9.0 AUTHORIZED INVESTMENTS FOR BOND PROCEEDS

Bond proceeds shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0 above, bond proceeds may be invested in a structured investment product if approved by the Treasurer.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered by IERCA shall be conducted on Delivery versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IERCA by book entry, physical delivery, or third-party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third-party safe keeping requirements.

## 11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5- percent of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, and pooled investments such as LAIF, federal agencies, money market funds, and local government investment pools.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The Treasurer shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

## 12.0 TRADING OF SECURITIES

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase

investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The Treasurer may obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments based on investment analysis recommended by staff in adhering to the Investment Policy guidelines. Competitive bids can be also obtained by any communication channels when necessary.

### **13.0 MAXIMUM MATURITIES**

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a remaining term to maturity in excess of five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

### **14.0 PORTFOLIO MATURITY LIMITATION**

The weighted average maturity of the entire portfolio shall not exceed three (3) years.

### **15.0 MONITORING CREDIT RATINGS**

The Treasurer shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this policy, the Treasurer shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

### **16.0 REPORTING**

The Treasurer shall submit to each member of the Board of Directors a quarterly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution
- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions



CGC §53646(b) (2), (3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (wavier) and, that (ii) IERCA will meet its expenditure obligations for the next six months. The Treasurer shall maintain a complete and timely record of all investment transactions in support of the above statement.

## **17.0 INTERNAL CONTROLS**

The Treasurer is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IERCA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.

An annual independent review by an external auditor to assure compliance with policies and procedures will be performed as part of the IERCA's annual audit.

## **18.0 PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market yields are being achieved, the Treasurer shall identify comparable benchmarks to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate). This comparative analysis is included in investment report presented to the Board of Directors on a quarterly basis.

## **19.0 POLICY REVIEW**

This investment policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this investment policy to ensure that IERCA can adapt readily to changing market conditions and approve any modification to the investment policy prior to implementation.

## **20.0 STATE LAW**

The legislated authority of the IERCA's investments is covered in Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IERCA to comply with the State laws governing its investments.

## **21.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Board of Directors of IERCA. Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

### **ADOPTED AND APPROVED:**

**Name:**

**Title:**

**Date:**

## APPENDIX 1: GLOSSARY OF CASH MANAGEMENT TERMS

### **BOND PROCEEDS:**

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

### **BROKER:**

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

### **CERTIFICATE OF DEPOSIT (CD):**

A time deposit with a specific maturity evidenced by a certificate.

### **CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):**

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

### **COLLATERAL:**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **COMMERCIAL PAPER:**

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

### **CREDIT RISK:**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

### **CUSTODIAN:**

A bank or other financial institution that keeps custody of stock certificates and other assets.

### **DEALER:**

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

### **DELIVERY OF SECURITIES:**

There are two methods of delivery of securities: *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

### **DIVERSIFICATION:**

Dividing investment funds among a variety of securities offering independent returns.

### **DURATION:**

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

### **FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):**

A federal agency that insures bank deposits.

### **FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):**

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees over 4,200 brokerage firms, about 162,000 branch offices and approximately 634,000 registered securities representatives.

### **INTEREST ONLY STRIPS:**

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

**INTEREST RATE RISK:**

The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

**INVERSE FLOATER:**

Fixed income instruments whose coupon or interest rate is periodically reset according to a short-term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

**INVESTMENT POLICY:**

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT PORTFOLIO:**

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**LIQUIDITY:**

The measure of an asset's ability to be converted easily and rapidly into cash with minimum risk on principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):**

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**MARKET VALUE:**

The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:**

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:**

The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):**

Corporate notes, having any or all the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATES OF DEPOSIT:**

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry Regulatory Authority (FINRA) registered Broker/Dealers. Also known as "DTC Eligible CDs" or "Brokered Deposits", this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

**PAR VALUE:**

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

**PRIMARY DEALER:**

A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRINCIPAL:**

The face or par value of a debt instrument or the amount of capital invested in a given security.

**PRUDENT INVESTMENT STANDARD:**

The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

**RATE OF RETURN:**

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REPURCHASE AGREEMENT (RP OR REPO):**

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the IERCA) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the IERCA) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):**

A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the IERCA) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller (e.g. the IERCA) money for the period of the agreement with terms of the agreement structured to compensate buyer.

**SAFEKEEPING:**

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

**SECURITIES:**

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**WEIGHTED AVERAGE MATURITY (WAM):**

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

**YIELD:**

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.



**FY 2021/2022  
INVESTMENT  
POLICY**

*INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY*  
**FY 2021/2022 INVESTMENT POLICY**

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# INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY INVESTMENT POLICY

## 1.0 POLICY

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) § 53600.6 and 53630.1 (CGC §53600.6 and §53630.1);

WHEREAS; the legislative body of a local agency may invest surplus monies, not required for the immediate necessities of the local agency, in accordance with the provisions of CGC §5922 and CGC §53601 et seq.; and

WHEREAS; the Treasurer of the Inland Empire Regional Composting Authority (IERCA) shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting (CGC §53646[a]).

NOW, THEREFORE, BE IT RESOLVED that the policy of IERCA is to invest funds in a manner which will provide: (i) the maximum security; (ii) the funds necessary to meet the daily cash flow demands of the IERCA; and (iii) the highest investment return while conforming to all statutes governing the investment of IERCA funds within the constraints of this Investment Policy.

## 2.0 SCOPE

This Investment Policy applies to all surplus monies of IERCA.

### *Pooling of funds*

Except for cash in certain restricted and special funds, IERCA will consolidate cash and reserve balances from all funds to maximize investments earnings and to increase efficiencies regarding investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

## 3.0 PRUDENCE

The standard of prudence to be used by designated investment signatories shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of IERCA, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to



safeguard the principal and maintain the liquidity needs of the authority.

Designated investment signatories, acting in accordance with written procedures, this investment policy, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## 4.0 OBJECTIVES

As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds; the primary objectives, in priority order, of the investment activities shall be:

- A. *Safety*: Safety of principal is the foremost objective of the investment program. Investments made by IERCA shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required to prevent any potential loss on any individual security or depository from exceeding the income generated from the remainder of the portfolio.
- B. *Liquidity*: The investment portfolio will remain sufficiently liquid to enable IERCA to meet all operating requirements which might be reasonably anticipated.
- C. *Return on Investments (Yield)*: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

## 5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from CGC §53600, et seq. Management's responsibility for the investment program is hereby delegated for a one-year period by the legislative body, to the Treasurer who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked by the Board of Directors. Subject to review, the Board of Directors may renew the delegation of the authority each year. The Treasurer shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons/positions responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Treasurer and Administration. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

## 6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the placement of investments shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

## 7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Treasurer shall maintain a list of approved and authorized financial institutions and brokers/dealers, selected on the basis of credit worthiness, financial strength, experience, and capitalization.

In selecting the *financial institutions* for the deposit or investment of IERCA funds, the Treasurer's consideration shall include the depository's latest equity/asset ratio data and continue to monitor the financial institutions' credit characteristics and financial history throughout the period during which IERCA funds are deposited or invested.

The minimum qualifications for IERCA approved depository/financial institutions include: (i) that they must be at least three (3) years old; have total assets in excess of ten (\$10) billion dollars; a core capital/asset ratio of 5 percent or better; or (ii) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of 6 percent or better.

For the services of *banks, savings banks, and savings and loan associations*, depository agreements shall be prepared by the Treasurer and authorized representatives of the respective financial institutions for consideration and execution by the Treasurer.

For *broker/dealer* services utilized to invest in government securities and other investments, the Treasurer is designated to select only brokers/dealers who are licensed and in good standing with the California Department of Securities (CDS), the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), or other applicable self-regulatory organizations. A periodic review of authorized brokers/dealers is essential to serve IERCA's investment needs.

In order to improve quality services, expertise, and credit worthiness, the Treasurer may, on a selective basis, revise the approved list of brokers/dealers to update qualified brokers/dealers under the requirements of this Investment Policy.

The Treasurer shall maintain a list of approved brokers/dealers and submit the list to the Board of Directors as part of the periodic Investment Policy review process, or more frequently as requested by the Board.

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

IERCA's investments are governed by Government Code. Within the investments permitted by

the Government Code, IERCA seeks to further restrict eligible investments to the investments listed below. In the event an apparent discrepancy is found between this Investment Policy and the Government Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the date an investment is purchased. Credit ratings, as shown, specify the minimum credit rating category required at the point of purchase.

- A. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
- B. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- C. State Municipal Securities – Registered treasury notes or bonds issued by any of the 50 United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by a state or by a department, board, agency, or authority of any of the 50 states. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO). Short-term municipal securities eligible for investment shall be rated at or above the following credit agencies investment grade ratings; Sp-1 by Standard & Poor’s, F-1 by Fitch, and MIG-1 by Moody’s. These ratings for short term municipal securities signify the issuer’s strong capacity to pay principal and interest.
- D. California Local Agency Municipal Securities – Bonds, notes, warrants or other evidence of indebtedness of a local agency or municipality located within the State of California, including debt securities issued by the IERCA. Securities eligible for investment under this paragraph shall be rated in a rating category of “A” or its equivalent or better by a NRSRO.
- E. Bank deposits, including demand deposit accounts, savings account, and market rate accounts, time deposits, and certificates of deposit in financial institutions located in California. Bank deposits are required to be collateralized as specified under Government Code § 53630 et. seq. Agreements allowing for the waiver of the collateral requirement for that amount of deposit covered by the Federal Deposit Insurance Corporation may be implemented provided the remainder of the deposit is secured by collateral as required by the Government Code.
- F. Negotiable Certificates of Deposit. Negotiable certificates of deposit (NCD) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to securities rated in a rating category of “A” (long-term) and/or “A-1” (short-term) or their equivalents or better by a NRSRO. NCD for which the full amount of the principal and the interest may be accrued during the maximum term of each certificate is insured by

federal deposit insurance are exempt from the rating requirements. A maximum of 30 percent of the portfolio may be invested in Negotiable Certificates of Deposit. The maximum investment maturity will be restricted to five years.

- G. Placement Service Deposits (PSD). Funds may be placed with a private sector entity that assists in the placement of deposit with eligible financial institutions located in the United States (CGC § 53601.8). The full amount of the principal and the interest that may be accrued during the maximum term of each PSD shall at all times be insured by federal deposit insurance. The maximum portfolio exposure to Placement Service Deposits is limited to 30 percent. The maximum investment maturity will be restricted to five years.
- H. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):
  - (1) The entity meets the following criteria:
    - (a) Is organized and operating in the United States as a general corporation;
    - (b) Has total assets in excess of five hundred million dollars (\$500,000,000);
    - (c) Has debt other than commercial paper, if any, that is rated in rating of "A" or its equivalent or better by a NRSRO.
  - (2) The entity meets the following criteria:
    - (a) Is organized within the United States as a special purpose corporation, trust, or limited liability company;
    - (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond;
    - (c) Has commercial paper that is rated in a rating category of "A-1" or its equivalent or better by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city county, may invest no more than 25 percent of their moneys in eligible commercial paper. ~~Local agencies, other than counties or a city and county may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.~~

- I. Local Agency Investment Fund (LAIF) investment pool is a voluntary program created by statute as an investment alternative for California's local governments and special districts and is under the administration of the State Governor of California. All securities purchased by LAIF are under the authority of Government Code § 16429 and § 16480.4. As part of the Pooled Money Investment Account (PMIA), LAIF has oversight by the Pooled Money Investment Board (PMIB), and an in-house Investment Committee. LAIF also has oversight by the Local Agency Investment Advisory Board and is audited by the Bureau of State Audits on an annual basis. Investment in California LAIF cannot exceed the maximum deposit per agency limit as set by the Local Agency Investment Fund.

- J. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code § 6509.7. To be eligible for purchase, the pool must meet the requirements of CGC § 53601(p).

Whenever the IERCA has any funds invested in a LGIP, the Treasurer shall maintain on file a copy of the pools' current information statement to be reviewed on a periodic basis. Investment in LGIPs cannot exceed the maximum deposit limit as set by each LGIP.

- K. Money Market Funds - Investing solely in U.S. treasury securities and U.S. Government Agency securities, and repurchase agreements relating to the above obligations. To be eligible, these Money Market Funds must have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment advisor with not less than five years' experience and registered or exempt from registration with the SEC, with assets under management in excess of five hundred million dollars (\$500,000,000).

- L. Repurchase Agreements - IERCA may invest in repurchase agreements with banks and dealers with which IERCA has entered into a master repurchase agreement which specifies terms and conditions of repurchase agreements.

Transactions shall be limited to the primary dealers and banking institutions rated in a rating category of "A" or its equivalent or better by a NRSRO, or with a financially stable banking institution which the IERCA has a substantial banking relationship. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Treasurer and will not be allowed to fall below 102 percent of the value of the repurchase agreement plus the value of collateral in excess of the value of the repurchase agreement. To conform with the Federal Bankruptcy Code which provides for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States.

- M. Medium Term Notes (MTN): MTNs defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases in this category shall not exceed 30 percent of the portfolio and must be rated in a rating category of "A" or its equivalent or better by a NRSRO.

***Ineligible Investments:*** Investments not described herein, including but not limited to, reverse repurchase agreements and common stocks are prohibited from use in this portfolio. This Investment Policy further specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity. [IEUA may invest in securities issued](#)

by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates. IEUA may hold these instruments until their maturity dates.

## 9.0 AUTHORIZED INVESTMENTS FOR BOND PROCEEDS

Bond proceeds shall be invested in the securities permitted pursuant to Board approved bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this policy. Notwithstanding the other provisions of this Investment Policy, the dollar portfolio, percentage, and term limitations listed elsewhere in the Investment Policy do not apply to bond proceeds. In addition to the securities listed in Section 8.0 above, bond proceeds may be invested in a structured investment product if approved by the Treasurer.

## 10.0 SAFEKEEPING AND CUSTODY

As required by CGC §53601 all security transactions entered by IERCA shall be conducted on Delivery versus Payment basis. Delivery versus Payment or DVP basis means all securities purchased or acquired shall be delivered to IERCA by book entry, physical delivery, or third-party custodial agreement. Investments in the state pool, local government investment pools, or money market funds are undeliverable, and therefore, not subject to the delivery or third-party safe keeping requirements.

## 11.0 DIVERSIFICATION

The Board of Directors recognize that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Portfolio diversification is employed to minimize these risks. Investment signatories are expected to display prudence in the selection and/or approval of securities, to minimize the risks present in the investment portfolio. No individual investment transaction shall be undertaken which jeopardizes the total capital position of the overall portfolio. To promote diversification, no more than 5- percent of the portfolio may be invested in the securities of any one issuer, regardless of security type; except for U.S. Treasuries, federal agencies, and pooled investments such as LAIF, federal agencies, money market funds, and local government investment pools.

The Board of Directors acknowledges that from time to time certain situations may arise during which strict adherence to an inflexible investment policy may be overly restrictive. On a case by case basis, the Board of Directors may consider any pertinent information of such situations and may, by minute action, modify or waive, within the constraints of CGC §53601 et seq., any of the provisions and/or restrictions of this Investment Policy.

The Treasurer shall periodically establish diversification guidelines, within the context of this policy, and strategies to control any risks of default, market price changes, and illiquidity.

## **12.0 TRADING OF SECURITIES**

A trade is the movement from one security to another and may be done for a variety of reasons, such as to increase yield, lengthen or shorten maturities, to take a profit, or to increase investment quality. The purchase and sale transaction and the sale transaction must each be recorded separately and any losses or gains on the sale must be recorded.

The Treasurer may obtain competitive bids from at least two brokers or financial institutions on all purchases of investment instruments based on investment analysis recommended by staff in adhering to the Investment Policy guidelines. Competitive bids can be also obtained by any communication channels when necessary.

## **13.0 MAXIMUM MATURITIES**

Where no maturity limit is stated for an investment under Section 8.0, no investment shall be made in any security that at the time of the investment, has a remaining term to maturity in excess of five years unless the Board of Directors has granted express authority to make that investment either specifically or as part of a previous investment program no less than three (3) months prior to the investment. Any investment currently held at the time the investment policy is adopted which does not meet the new policy guidelines will be held until maturity and shall be exempt from the current policy. At the time of the investment's maturity or liquidation such funds shall be reinvested only as provided in the most current policy.

## **14.0 PORTFOLIO MATURITY LIMITATION**

The weighted average maturity of the entire portfolio shall not exceed three (3) years.

## **15.0 MONITORING CREDIT RATINGS**

The Treasurer shall monitor the ratings of all investments in their portfolios on a continuous basis. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this policy, the Treasurer shall make a written recommendation to the Board as to whether this security should be held or sold prior to maturity.

## **16.0 REPORTING**

The Treasurer shall submit to each member of the Board of Directors a quarterly investment report. This report will include the elements of the quarterly report as recommended by CGC §53646, to include:

- a. Type of investment
- b. Name of institution

- c. Date of maturity
- d. Amount of deposit or cost of the security and the par value
- e. Current market value of all securities
- f. Rate of interest/earnings (yield)
- g. A monthly list of transactions

CGC §53646(b) (2), (3) recommends that the investment report must include a statement that (i) all investment actions executed since the last investment report have been made in full compliance with the Investment Policy or a Board of Directors' minute action (wavier) and, that (ii) IERCA will meet its expenditure obligations for the next six months. The Treasurer shall maintain a complete and timely record of all investment transactions in support of the above statement.

## **17.0 INTERNAL CONTROLS**

The Treasurer is responsible for establishing and maintaining a control structure designed to ensure that the assets of the IERCA are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation and benefits require estimates and judgments by management.

An annual independent review by an external auditor to assure compliance with policies and procedures will be performed as part of the IERCA's annual audit.

## **18.0 PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. To determine whether market yields are being achieved, the Treasurer shall identify comparable benchmarks to the portfolio investment duration, (e.g. 90-day US Treasury Bill, 6-month US Treasury Bill, average LAIF yield rate). This comparative analysis is included in investment report presented to the Board of Directors on a quarterly basis.

## **19.0 POLICY REVIEW**

This investment policy shall be reviewed regularly to ensure its consistency with the overall objectives of preservation of principal, liquidity, and return and its relevance to current law and financial and economic trends. The Board shall be responsible for maintaining guidance over this investment policy to ensure that IERCA can adapt readily to changing market conditions and approve any modification to the investment policy prior to implementation.

## **20.0 STATE LAW**



The legislated authority of the IERCA's investments is covered in Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653 of the Government Code. It is the policy of the IERCA to comply with the State laws governing its investments.

## **21.0 INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Board of Directors of IERCA. Moreover, the Policy shall be reviewed whenever there are recommended changes or annually, whichever occurs first, and modifications must be approved by the Board of Directors.

### **ADOPTED AND APPROVED:**

**Name:**

**Title:**

**Date:**

## APPENDIX 1: GLOSSARY OF CASH MANAGEMENT TERMS

### **BOND PROCEEDS:**

The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

### **BROKER:**

A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

### **CERTIFICATE OF DEPOSIT (CD):**

A time deposit with a specific maturity evidenced by a certificate.

### **CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS):**

A private CD placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.

### **COLLATERAL:**

Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

### **COMMERCIAL PAPER:**

A short-term, unsecured, promissory note with a fixed maturity of no more than 270 days. By statute, these issues are exempt from registration with the U.S. Securities and Exchange Commission.

### **CREDIT RISK:**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security and a loss will result.

### **CUSTODIAN:**

A bank or other financial institution that keeps custody of stock certificates and other assets.

### **DEALER:**

A dealer, as opposed to a broker, acts as a principal in all transaction, buying and selling for his own risk and account or inventory.

### **DELIVERY OF SECURITIES:**

There are two methods of delivery of securities: *Delivery versus Payment* and *Delivery versus Receipt*. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of signed receipt for the securities.

### **DIVERSIFICATION:**

Dividing investment funds among a variety of securities offering independent returns.

### **DURATION:**

A measure of the timing of the cash flows to be received from a given-fixed income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

### **FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):**

A federal agency that insures bank deposits.

### **FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA):**

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the United States. All told, FINRA oversees over 4,200 brokerage firms, about 162,000 branch offices and approximately 634,000 registered securities representatives.

### **INTEREST ONLY STRIPS:**

The interest portion of a Treasury note or bond that has been stripped of its principal component through the commercial book-entry system.

**INTEREST RATE RISK:**

The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

**INVERSE FLOATER:**

Fixed income instruments whose coupon or interest rate is periodically reset according to a short-term rate index such as LIBOR, or prime rate. Unlike the traditional floating rate instrument, however, the inverse floater's rate is set equal to a fixed rate minus the short-term rate index.

**INVESTMENT POLICY:**

A clear and concise statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**INVESTMENT PORTFOLIO:**

A collection of securities held by a bank, individual, institution, or government agency for investment purposes.

**LIQUIDITY:**

The measure of an asset's ability to be converted easily and rapidly into cash with minimum risk on principal.

**LOCAL AGENCY INVESTMENT FUND (LAIF):**

An investment pool managed by the California State Treasurer. Local government units, with consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

**MARKET VALUE:**

The price at which a security is currently being sold in the market. See FAIR VALUE.

**MASTER REPURCHASE AGREEMENT:**

A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:**

The date that the principal or stated value of a debt instrument becomes due and payable.

**MEDIUM-TERM NOTES (MTNs):**

Corporate notes, having any or all the features of corporate bonds and ranging in maturity from nine months out to thirty years. The difference between corporate bonds and MTNs is that corporate bonds are underwritten.

**NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO):**

A rating organization designated by the SEC as being nationally recognized, such as Moody's Investor Service, Inc. (Moody's), Standard & Poor's (S&P), and Fitch Ratings (Fitch).

**NEGOTIABLE CERTIFICATES OF DEPOSIT:**

Time deposits issued by Federal Deposit Insurance Corporation (FDIC) insured banks and are underwritten by the Financial Industry Regulatory Authority (FINRA) registered Broker/Dealers. Also known as "DTC Eligible CDs" or "Brokered Deposits", this type of deposit is offered to investors by issuing institutions looking to raise liquidity and funding through the wholesale and institutional markets.

**PAR VALUE:**

The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in increments of \$1,000 per bond.

**PRIMARY DEALER:**

A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRINCIPAL:**

The face or par value of a debt instrument or the amount of capital invested in a given security.

**PRUDENT INVESTMENT STANDARD:**

The way a prudent person of discretion and intelligence would be expected to manage the investment program in seeking a reasonable income and preservation of capital.

**RATE OF RETURN:**

- 1) The yield which can be attained on a security based on its purchase price or its current market price.
- 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

**REPURCHASE AGREEMENT (RP OR REPO):**

A holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the IERCA) with an agreement to repurchase them at a fixed date. The security "buyer" (e.g. the IERCA) in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the "buyer" for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

**REVERSE REPURCHASE AGREEMENT (REVERSE REPO):**

A counter party (e.g. investment dealer) buys the securities from the holder of securities (e.g. the IERCA) with an agreement to sell them back at a fixed date. The counter party in effect lends the seller (e.g. the IERCA) money for the period of the agreement with terms of the agreement structured to compensate buyer.

**SAFEKEEPING:**

A service banks offer to clients for a fee, where physical securities are held in the bank's vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank's name for the benefit of the client. As agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or, if called, on the call date.

**SECURITIES:**

Investment instruments such as notes, bonds, stocks, money market instruments and other instruments of indebtedness of equity.

**WEIGHTED AVERAGE MATURITY (WAM):**

The average maturity of all the securities that comprise a portfolio, typically expressed in days of years.

**YIELD:**

The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security.





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**ACTION  
ITEM**



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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Jeff Ziegenbein  
Project Manager *JZ 836*

Mike Sullivan  
Assistant Project Manager

**Subject:** Compost Transportation Services

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve a five-year contract with two one-year renewal options with Viramontes Express, Inc. and with Eggleton Trucking, Inc. for compost transportation services for an annual total of up to \$250,000 each; and
2. Authorize the Project Manager to finalize and execute the contracts.

### **BACKGROUND**

The Inland Empire Regional Composting Facility (IERCF) produces compost from recycled materials including biosolids and woody amendments collected from various sources around the region. The facility produces approximately 19,000 cubic yards of compost per month totaling approximately 230,000 cubic yards per year. Since starting operations in 2007 about 10% to 20% of the compost customers requested that the IERCF provide transportation services for the compost deliveries. This results in an upfront cost to the Authority which is largely reimbursed by compost customers.

To appropriately manage these volume increases, a Request for Proposal was prepared and sent via the “PlanetBids” as well as individual notices to contractors on March 9, 2021, soliciting prices for compost transportation services.

Three contractors; Viramontes Express, Inc., Denali Water Solutions, Inc. and Eggleton Trucking, Inc. submitted responsive proposals on March 25, 2021. A review of the submittals indicated that Viramontes Express, Inc. and Eggleton Trucking, Inc. were the low bidders and that they both have extensive experience hauling compost material for IERCA as well as other producers in the region. The current proposed prices represent a slight increase compared to previous prices. Further, Viramontes Express, Inc. has been a Vendor of the Year for the IEUA and is also a customer of the IERCA purchasing compost on a regular basis. Additionally, Viramontes has specialty equipment such a truck and transfers that allow for deliveries to tight quarters like homeowners and small supply yards. Eggleton Trucking, Inc. provides farm spreading services which help with compost sales to the agricultural market. Viramontes Express, Inc. and Eggleton Trucking, Inc. are best qualified with the lowest price and are therefore recommended to be selected as the compost transportation service providers.

IERCA sets compost prices as picked up at IERCF and does not include transportation costs. Transportation rates are charged separately based on a cost per mile and are typically passed through to the customers with a small markup to help cover administrative costs. Customers are encouraged to set up and contract with their own hauling companies but often IERCA provides the services as a courtesy to remain competitive in the marketplace. Each contractor will be allocated approximately half of the IERCA's contracted compost hauling.

#### **PRIOR BOARD ACTION**

None

#### **IMPACT ON BUDGET**

The 2021/22 IERCA budget includes \$500,000 to cover compost transportation services.

**ACTION  
ITEM**



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**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Jeff Ziegenbein  
Project Manager *JZ 836*  
Mike Sullivan  
Assistant Project Manager

**Subject:** Wheel Loader Purchase and budget amendment

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### **RECOMMENDATION**

It is recommended that the Board of Directors:

1. Approve the purchase of one Liebherr L-566 wheel loader for approximately \$540,000 including taxes, delivery, warranty;
2. Approve a budget amendment for \$40,000; and,
3. Authorize the IEUA Manager of Contracts and Procurement to finalize and execute the agreement.

### **BACKGROUND**

The Inland Empire Regional Composting Authority (IERCA) requires seven wheel loaders to carry out daily production, maintenance, and other required activities. The IERCA originally procured seven John Deere wheel loaders in June 2005 including four John Deere model 744J's, two John Deere model 644J's, and one John Deere model 544J wheel loader. The wheel loaders were purchased with extended warranties that covered most major components for a period of four years or 6,000 operating hours. Of the original wheel loaders, five are still in service today.

Two 744J models were replaced in 2012 with two new 744k model wheel loaders equipped with Tier 4 engines as required by the California Air Resources Board (CARB). These new wheel loaders failed to operate in the IERCF environment due to incompatible emission systems which utilized a diesel particulate filter (DPF). After working for months with the dealer and manufacturer, it was determined that the Tier 4 engines with the DPF would not work at the IERCF. Thus, the IERCA negotiated with the dealer to replace them 2 years later (2014) with

two 744K models equipped with Tier 3 engines without the DPF emission controls. The dealer was only able to provide the loaders by issuing Emission Reduction Credits to CARB gaining a waiver to sell Tier 3 engines.

The DPFs failed due to buildup of silicon in the ports and sensors. The IERCA team has been evaluating options for fleet replacement but was unable to find solutions. The team has maintained the aging fleet of loaders including comprehensive overhauls, additional air intake filters and through the use of rental equipment. Some of the units are beyond their useful life resulting in increased downtime and operating costs. Some of the units have more than 20,000 hours of use.

To determine options for fleet replacement, a Request for Information (RFI) was issued in February 2020. Respondents were invited to present technical information about their wheel loaders on March 5, 2021. The request was intended to determine the latest technology and best options for their equipment to operate effectively in the facility. Presentations were made by 5 dealers. This information was used to help define what key features were included and available from each brand that best suited the needs of IERCF. Engine emissions, safety features, reliability, corrosion protection, fuel consumption, warranty, maintenance programs, sealed cabs, cab filtration for ammonia, cameras, radar/sonar backup warning systems, and other features were all evaluated to determine which brand would be the best unit for protecting the operator, compatible with the IERCF, and the best value for the Authority.

The RFI revealed that there are options for loaders that meet all emissions requirements without the use of DPFs. Based on the information gathered during the RFI process, staff issued a Request for Quote (RFQ) on March 31, 2021. The RFQ required dealers to include all mandatory features as well as an exclusion for any emission system that included a DPF. Staff received responses from 2 dealers. Both dealers provided proposals meeting the requirements. Each qualified response is listed in Table 1.

Table 1: Quote Summary

<b>Vendor</b>	<b>Make</b>	<b>Loader Price (each)</b>	<b>Total Cost to IERCA (Inc. tax)</b>
Bejac Corporation	Liebherr L-566	\$499,000	\$537,673
Westrax Machinery	Hitachi ZW310	\$409,461	\$441,194

Staff interviewed several waste management and composting businesses that use front end loaders including Liebherr with consistently positive comments about the Liebherr. In fact, several large and very large waste companies have completely switched over to Liebherr for new purchases stating that the loader is the only machine specifically designed for the waste industry. Specifically addressing wear points, operator safety, corrosion, and fuel consumption.

After a thorough and technical evaluation of the proposals, staff recommends the purchase of one Liebherr L-566 loader from Bejac Corporation. It was determined that Bejac Corporation

provided the best value to the Agency after examining all features and service available despite not being the lowest overall acquisition cost to the Authority. Bejac Corporation meets all technical requirements specified in the RFQ has a strong reputation for responsiveness and customer service in the region.

The Hitachi submittal met most of the requirements set in the RFQ but doesn't include the sealed cab for operator protection to support the Brofil cab filtration system, fuel consumption is 30% higher, conventional drive system versus hydrostatic resulting in more tire spin.

The wheel loader will feature the following:

- Waste/Recycling design and built loader
- Tier 4 Final diesel engine rating
- Engine emission system with a single SCR control component (no DPF) and no regen
- Fuel savings of 50% compared to current loaders (field verified)
- Superior cooling system with radiator located in front of and separate of engine compartment. Cooling airflow does not enter engine compartment.
- Industrial corrosion protection with silicone caulking on every connector and terminal
- Factory standard sealed cab that provides 400 PASCAL cab pressure (Brofil cab filtration system requires 300 PASCAL)
- Brofil cab filtration system to match existing Brofil units in use at the facility
- Hydrostatic driven power train (eliminates traditional transmission)
- 16 exterior HD LED working lights
- Integrated front/rear/overhead camera system with sonar rear object detection
- Rockland push out bucket
- Manufacturer's complete machine, bumper to bumper, warranty for 5 years or 10,000 hours including travel and transportation costs for all warranty repairs
- Rental loader provided, at no cost to IERCA, for warranty repairs that will last more than 48 hours.
- Offer to buy back loader if emission system proves to be incompatible within first 12 months

Staff plans to keep all the current loaders in the fleet in service during the trial period in case the new technology does not work as intended. The high hour status of the current production loaders requires frequent downtime and back up equipment to include rental loaders. By retaining all current in-service loaders and adding a single new loader, rental costs and down time will be reduced to minimal levels. It is expected that enhanced features of the Liebherr L-566 loader will allow it to be operated consistently in the 2 harshest, most corrosive environments with a significant reduction in operating costs and downtime.

Staff recommends that the Board approve the purchase of the Liebherr 566 wheel loader and amend the budget to carry out the purchase agreement. If approved, the Liebherr technology and emission system will be tested at the IERCF and evaluated and if successful, a loader

Wheel Loader Purchase

May 3, 2021

Page 4

replacement plan will be brought back to the IERCA Board during the next fiscal year. In anticipation of fleet replacement, staff has worked closely with the IEUA Grants department and has applied for grants for replacement loaders based on their fuel and emissions reductions. The replacement plan will be consistent with the CARB requirements to replace the lower tiered engines.

### **PRIOR BOARD ACTION**

The Board approved a budget of \$500,000 for wheel loader replacement on May 4, 2020.

### **IMPACT ON BUDGET**

Funds for the purchase of one new loader will require approval of additional funds in the amount of \$40,000.



**INFORMATION  
ITEM**



**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Jeff Ziegenbein  
Project Manager *JZ 836*

Mike Sullivan  
Assistant Project Manager

**Subject:** Project Manager's Report

**RECOMMENDATION**

This is an information item for the Board to receive and file.

**BACKGROUND**

**Operations**

The Inland Empire Regional Composting Facility (IERCF) continued to maintain maximum throughput levels processing up to 650 wet tons of biosolids and up to 300 wet tons of amendments daily, Monday through Friday each week.

Since the last update, the IERCF staff has:

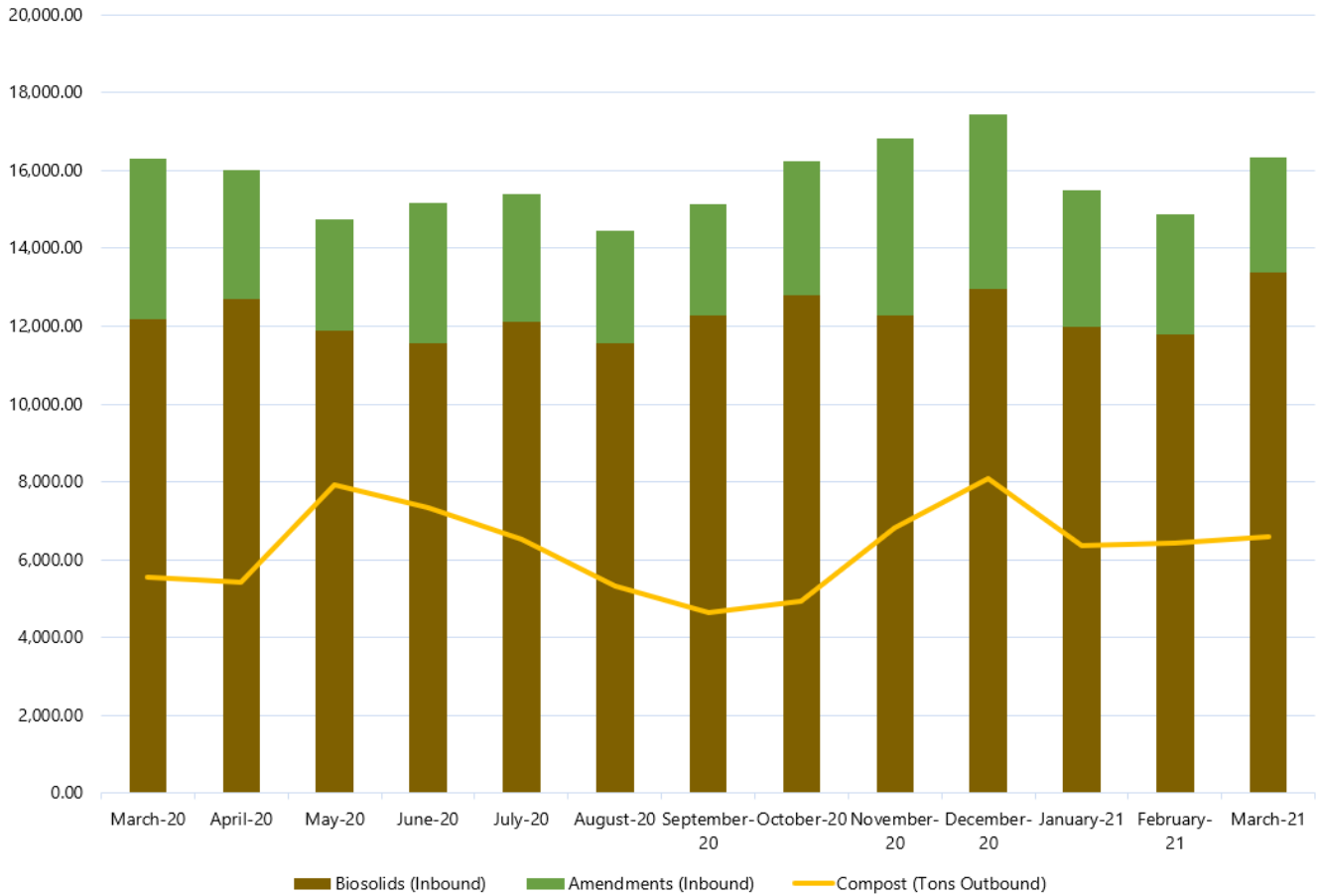
- Maintained compost sales volumes that match or exceed production volumes.
- Maintained a 100% compliance record with permit regulations
- Continued a strong safety record of nearly 650 days with no recorded lost time incidents

Table 1 lists materials processed for the current fiscal year (Q1-Q3) 2020/21, July 1-March 31, 2021, the same time period in the previous fiscal year (Q1-Q3) 2019/2020, and since start-up in April 2007 through March 31, 2021.

Table 1: Process summary

	FY 2020/21	FY 2019/20	2007-2021
Biosolids Processed (wet tons)	111,218	111,462	1,871,105
Amendments Processed (wet tons)	31,058	32,298	710,131
Compost Sold (cubic yards)	159,882	173,173	2,940,511

IERCF Inbound & Outbound



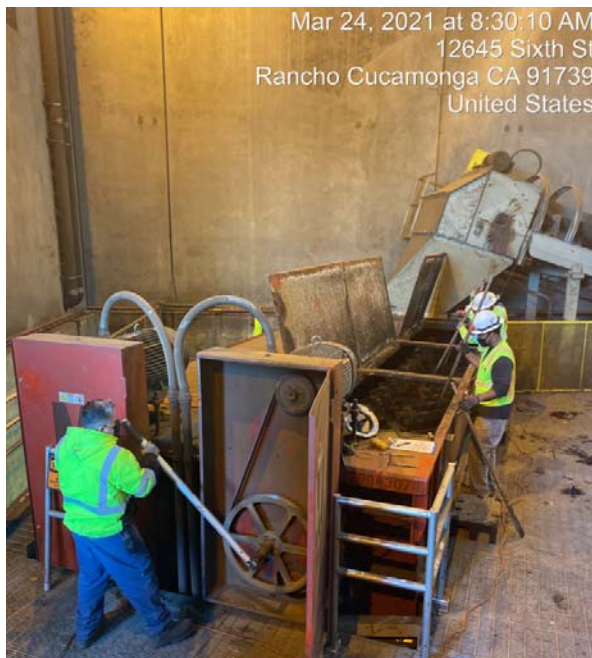
**COVID-19**

Staff continues to operate the facility at full capacity while following the guidelines issued by the Centers for Disease Control (CDC). As new cases of COVID-19 decline, the state and county are beginning to ease restrictions. IEUA is developing a strategy to return workers to normal work schedules while ensuring safety for all employees. Employees are healthy and there have been no known detections of the virus.

**Maintenance**

Table 2: Quarterly KPI Report

<b>SCHEDULED COMPLETION</b>	<b>107%</b>
Work Orders Scheduled	398
Work Orders Completed	426
<b>SCHEDULED ON TIME PERCENT</b>	<b>95%</b>
Corrective Maintenance (CM’s) Created	178
Break in Work	77
Average work order age	47 Days



Staff maintaining the pugmill mixer



Staff repairing an outdoor light

### **Outreach**

Table 3: Summary of IERCA outreach activities (closed to public due to COVID-19):

<b>ITEM</b>	<b>NUMBER</b>
IERCF Tours (groups/people)	0
Garden in Every School	0
Site visitors (contractors)	97

### **Compliance**

A biennial source test was performed at the facility in February as required by the South Coast Air Quality Management District. Results confirm pass on all items including percent removal and mass emissions of VOCs and ammonia. This was the seventh successful source test for the facility and the facility remains in perfect environmental compliance with all permits and requirements.



Photos of source test activities

### **Compost Research**

The compost research project developed with the Chino Basin Water Conservation District (CBWCD) is still on hold due to restrictions from the COVID-19 pandemic. Staff and CBWCD continue to check in to see when the project is able to resume and the two groups work together to provide compost and water conservation messaging to the community. It is anticipated that the project can start up in late summer of this year

### **Sales and Marketing Report**

Despite the impacts from COVID-19, compost sales have remained strong. A majority of customers are continuing to purchase material and there is no inventory currently as sales keep up with production. There are approximately 100 active customers, and a large percentage of them have reported that their number of projects have not diminished. Revenue is up significantly compared to the same period last year as retail sales have remained high reducing the volume sold to agriculture. Agriculture unit prices are lower than retail resulting in an overall higher average unit price. Staff will remain in remote contact with customers and continue to monitor demand. Regional economic impacts from the pandemic are anticipated to slow demand at some point so fail-safe options are being lined up.



Sold out sign at scale



Image showing no inventory of compost

Staff members are also working closely with the Association of Compost Producers (ACP) in preparation of the implementation of Senate Bill 13833 (SB1383). SB1383 requires organics to be diverted from landfills and jurisdictions to procure compost based on their populations. ACP is developing guidelines to help jurisdictions define appropriate compost products as well as use instructions.

Table 4: Summary of monthly sales and revenue

MONTH	TOTAL YARDS 2020/2021	TOTAL YARDS 2019/2020	TOTAL REVENUE 2020/2021	TOTAL REVENUE 2019/2020
January	18,140.29	19,719.66	\$24,626.79	\$27,315.97
February	18,320.47	16,005.15	\$31,292.89	\$28,364.01
March	18,869.67	15,851.95	\$42,500.02	\$25,664.06
<b>TOTAL</b>	<b>55,330.43</b>	<b>51,576.76</b>	<b>\$98,419.70</b>	<b>\$81,344.04</b>
<b>AVERAGE</b>	<b>18,443.48</b>	<b>17,192.25</b>	<b>\$32,806.57</b>	<b>\$27,114.68</b>

The following tables summarize the Authority’s aging reports and sales write off history.

Table 5

Monthly Accounts Receivable Ageing Report of IERCA (Sales only to third parties) as of 3/31/2021								
	Description	Current	1-30 Days	31-60 days	61-90 days	91-120 days	>121 days	Total
1	Amount \$	79,705.61	17,860.10	10,307.44	8,163.62	8,387.79	36,957.42	161,381.98
2	# of Invoices	61	19	10	14	10	32	146
3	# of Customers	41	18	10	13	10	11	103

Table 6

<b>Quarterly Accounts Receivable Ageing Report of IERCA (Sales only to third parties)</b>				
<b>Sr. #</b>	<b>Description</b>	<b>From FY 2007/08 to FY 2019/20</b>	<b>FY 2020/2021 (July - March)</b>	<b>Total</b>
1	Sales	6,988,067.58	426,158.20	7,414,225.78
2	Write off	35,727.52	-	35,727.52
3	Percentage of Write Off Sales	0.5113%		0.41819%

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

None.

**INFORMATION  
ITEM**





**Date:** May 3, 2021

**To:** Honorable Board of Directors

**From:** Christina Valencia  
Treasurer

**Subject:** Treasurer’s Report of Financial Affairs for the Quarter Ended  
March 31, 2021

**RECOMMENDATION**

The Treasurer’s Report of Financial Affairs for the quarter ended March 31, 2021 is an informational item for the Board’s review.

**BACKGROUND**

In accordance with State Code, Section 53646(b) (1), and the Authority’s Investment Policy (Resolution No. 2020-5-1), a periodic investment report shall be submitted to members of the Board for review. This report includes in part, the investment types, investment institutions, maturity dates, investment amount, current market value, and rate of interest/earnings yield.

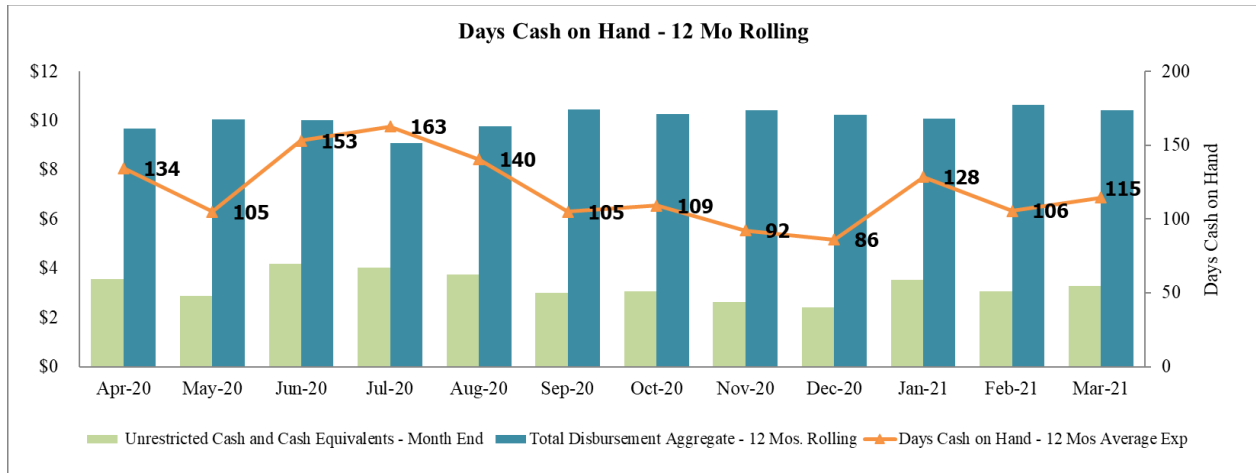
The Treasurer’s Report of Financial Affairs for the quarter ended March 31, 2021 is hereby submitted in a format consistent with State requirements. As shown in the table below, March’s total cash, investments, and restricted deposits equaled \$3,265,185 showing an increase of \$860,524 when compared to the December balance of \$2,404,661. The increase was mainly due to higher biosolids receipt and lower cash outflows for operating and administrative expenses.

The Authority’s investment portfolio average rate of return in March 2021<sup>(1)</sup> was 0.240 percent compared to the December 2020 yield of 0.353 percent. As the COVID-19 pandemic continues, economic activity remains sluggish and interest rates remain relatively low. Interest earnings for the quarter ended March 31, 2021 were \$2,617.

	December	March <sup>(1)</sup>	Changes from Prior Quarter
Total Cash, Investments, Restricted Deposits	\$2,404,661	\$3,265,185	\$860,524
Investment Portfolio Average Rate of Return	0.353%	0.240%	-0.113%

(1) Interest rate for the LA County Pooled Investment as of February 2021 and LAIF as of March 2021

Cash on hand (COH) for the month ended March 31, 2021 was 115 days compared to the December 30, 2020 COH of 86 days, as a result of higher cash balance and lower average monthly disbursements. The COH is a financial ratio used to measure cash readily available to pay expenses. Average days of cash on hand is calculated using the monthly ending balance of unrestricted cash and cash equivalents divided by disbursements associated with operating and capital expense as recorded in the Authority’s cash flow.



**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

The interest earned on the Authority’s investment portfolio increases the Authority’s reserves.

Attachment: Treasurer’s Report of Financial Affairs for quarter ended March 31, 2021.

# TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Quarter Ended March 31, 2021



All investment transactions have been executed in accordance with the criteria stated in the Authority's Investment Policy (Resolution No. 2020-5-1), adopted by the Inland Empire Regional Composting Authority's Board of Directors during its regular meeting held on May 4, 2020.

The funds anticipated to be available during the next six-month period are expected to be sufficient to meet all foreseen expenditures during the period.

*\* A Joint Powers Authority*

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

**Cash and Investment Summary**

Quarter Ended  
December 31, 2020

**Unrestricted Accounts**

**Cash, Bank Deposits, and Bank Investment Accounts**

**Investments**

	<b>March</b>	<b>December</b>
	\$586,902	\$547,947
	\$1,399,970	\$580,411
LA County Pooled Investment	\$274,336	\$273,983
Local Agency Investment Fund (LAIF)	\$1,003,977	\$1,002,320
<b>Total Investments</b>	\$2,678,283	\$1,856,714
<b>Total Unrestricted Cash and Investments Available to the Authority</b>	\$3,265,185	\$2,404,661
<b><i>Total Unrestricted Cash and Investments</i></b>	<b>\$3,265,185</b>	<b>\$2,404,661</b>
<b><i>Net Change from previous Quarter</i></b>	<b>\$860,524</b>	

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

**Cash and Investment Summary**

*Quarter Ended*

*March 31, 2021*

**Unrestricted Accounts**

**Cash, Bank Deposits, and Bank Investment Accounts**

**For the Quarter Ended March 31, 2021**

Demand (Checking) Accounts	\$586,902
Subtotal Demand Deposits	\$586,902

***Total Cash and Bank Investment Accounts*** \$586,902

**Investments**

Citizens Business Bank (CBB) Repurchase (Sweep)	\$1,399,970
Local Agency Investment Fund (LAIF)	\$1,003,977
LA County Pooled Investment	\$274,336
	<u>\$2,678,283</u>

***Total Investments*** \$2,678,283

***Total Cash, Investments and Restricted Deposits as of March 31, 2021*** \$3,265,185

Total Unrestricted Cash and Investments as of 3/31/2021	<u>\$3,265,185</u>
Less: Total Unrestricted Cash and Investments as of 12/31/2020	<u>\$2,404,661</u>

***Total Quarterly Increase (Decrease)*** \$860,524

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

**Cash and Investment Summary**

*Quarter Ended  
March 31, 2021*

	Par Amount	Principal Amount	March Amortization	Yield	Market Value
<b>Investments</b>					
<b><u>For the Quarter Ended March 31, 2021</u></b>					
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>					
<b>Citizens Business Bank</b>					
Checking Account	\$586,902	\$586,902	\$586,902	N/A	\$586,902
Subtotal CBB	\$586,902	\$586,902	\$586,902	N/A	\$586,902
<b>Total Unrestricted Accounts</b>	<b>\$586,902</b>	<b>\$586,902</b>	<b>\$586,902</b>		<b>\$586,902</b>
<b><u>Investments</u></b>					
Citizens Business Bank Sweep <sup>(1)</sup>	\$1,399,970	\$1,399,970	\$1,399,970	0.200%	\$1,399,970
LA County Pooled Investment <sup>(2)</sup>	\$274,336	\$274,336	\$274,336	0.530%	\$274,336
Local Agency Investment Fund <sup>(2)</sup>	\$1,003,977	\$1,003,977	\$1,003,977	0.357%	\$1,003,977
Subtotal Investments	\$2,678,283	\$2,678,283	\$2,678,283	0.293%	\$2,678,283
<b>Total Investments</b>	<b>\$2,678,283</b>	<b>\$2,678,283</b>	<b>\$2,678,283</b>		<b>\$2,678,283</b>
<b>Total Unrestricted Cash and Investments as of March 31, 2021</b>	<b>\$3,265,185</b>	<b>\$3,265,185</b>	<b>\$3,265,185</b>		<b>\$3,265,185</b>

<sup>(1)</sup> Citizens Business Bank Sweep rate dropped from 0.25% to 0.20% on December 2, 2020.

<sup>(2)</sup> Interest Rate information from LA County Pooled Investment as of February 2021 and LAIF as of March 2021.

# INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

## Cash and Investment Summary

Quarter Ended  
March 31, 2021

<u>Unrestricted Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
<b><u>Cash, Bank Deposits, and Bank Investment Accounts</u></b>		
For Citizens Business Bank - Sweep Account <sup>(1)</sup>	\$1,399,970	0.200%
LA County Pooled Investment <sup>(2)</sup>	\$274,336	0.530%
Local Agency Investment Fund <sup>(2)</sup>	\$1,003,977	0.357%
	<b>\$2,678,283</b>	<b>0.293%</b>
<b>Bank Accounts</b>		
Citizens Business Bank -Demand Account	\$586,902	N/A
	<b>\$586,902</b>	
<b><i>Total Portfolio</i></b>	<b>\$3,265,185</b>	
<b><i>Investment Portfolio Rate of Return</i></b>		<b>0.240%</b>
 <b><u>Restricted/Transitory/Other Demand Accounts</u></b>		
<b><i>Total Other Accounts</i></b>	<b>\$0</b>	<b>0.000%</b>
 <b>Total Authority Directed Deposits</b>	 <b>\$3,265,185</b>	

(1) Citizens Business Bank Sweep rate dropped from 0.25% to 0.20% on December 2, 2020.

(2) Interest Rate information from LA County Pooled Investment as of February 2021 and LAIF as of March 2021.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY**

**Cash Position**

Quarter Ended  
December 31, 2020

