



**REGULAR MEETING OF THE
BOARD OF DIRECTORS
MONDAY, FEBRUARY 1, 2021
10:00 A.M.**

**INLAND EMPIRE REGIONAL COMPOSTING FACILITY
12645 6TH STREET
RANCHO CUCAMONGA, CA 91739
(Virtual Meeting through Microsoft Teams)**

www.ierca.org/calendar

+1 415-856-9169 United States, San Francisco (Toll)

Conference ID: 898 497 31#

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, AND EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020 ANY BOARD MEMBER MAY CALL INTO THE BOARD MEETING WITHOUT OTHERWISE COMPLYING WITH ALL BROWN ACT'S TELECONFERENCE REQUIREMENTS.

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.

The meeting will be accessible through Microsoft Teams or at: (415) 856-9169 / Conf Code:898 497 31#

This meeting is being conducted virtually by video and audio conferencing through Microsoft Teams. There will be no public location available to attend the meeting; however, the public may participate and provide public comment during the meeting by calling into the number provided here. The public may also view the meeting live through the Agency's website. Alternatively, you may email your public comments to the Recording Secretary at vstone@ieua.org no later than 24 hours prior to the scheduled meeting time. Your comments will then be read into the record during the meeting.

**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.

INTRODUCTION OF NEW HIRE – MARCUS COULOMBE, COMPOST SALES REPRESENTATIVE

1. ELECTION OF OFFICERS

**BOARD CHAIRPERSON
BOARD VICE-CHAIRPERSON**

2. CONSENT CALENDAR

A. MINUTES

The Board will be asked to approve the minutes from the November 2, 2020 regular meeting.

B. INVESTMENT AND DISBURSEMENT REPORT

It is recommended that the Board of Directors approve for the months of October 2020 – December 2020:

1. Total disbursements in the amount of \$2,727,334.63.
2. There were no new investments during October 1, 2020 – December 31, 2020.

3. ACTION ITEMS

A. APPOINTMENT OF ASSISTANT PROJECT MANAGER

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

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

It is recommended that the Board of Directors:

1. Approve the Inland Empire Regional Composting Authority (IERCA/Authority) Annual Financial Report for the Fiscal Year ended June 30, 2020, as presented; and
2. Direct staff to distribute the report as appropriate, to the various federal, state and local agencies, financial institutions, and other interested parties.

C. ON-CALL CONSTRUCTION SERVICE CONTRACTORS

It is recommended that the Board of Directors:

1. Approve the awarding of Master Services 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
2. Authorize the Project Manager to finalize and execute the Contracts.

4. INFORMATION ITEMS

A. PROJECT MANAGER'S REPORT

B. CAPITAL PROJECTS UPDATE

C. TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED DECEMBER 31, 2019

5. DIRECTOR COMMENTS

Next regular meeting is scheduled for Monday, May 3, 2021 at 10:00 a.m.

6. 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 Agency 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, January 26, 2021.

Victoria Stone

Victoria Stone, Recording Secretary

**CONSENT
CALENDAR
ITEM**

2A

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)
NOVEMBER 2, 2020
VIA - TELECONFERENCE
10:00 A.M.**

DIRECTORS PRESENT:

Jon Blickenstaff, Chairperson
Michael Camacho, Vice Chairperson
Shivaji Deshmukh, Director
Margaret Finlay, Director
Robert Ferrante, Director

DIRECTORS ABSENT:

Paul Hofer, Director

OTHERS PRESENT VIA Telecon:

Jeff Ziegenbein, Project Manager, IERCA
Ann Heil, Assistant Project Manager, IERCA
Christina Valencia, Treasurer, IERCA
Marty Cihigoyenetché, General Counsel
Randy Lee, Executive Manager of Operations/AGM, IEUA
Christiana Daisy, Executive Manager of Engineering/AGM, IEUA
James Spears, Associate Engineer, IEUA
Warren Green, Manager of Contracts and Procurement, IEUA
Javier Chagoyen-Lazaro, Manager of Finance and Accounting, IEUA
Denise Garzaro, Board Secretary/Office Manager, IEUA
Jeanina Romero, Executive Assistant Operations, IEUA
Kenneth Monfore, Asset Management, IEUA
Matt Bao, Supervising Engineer, LACSD
Michael Sullivan, Assistant Department Head, 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, on the above date.

Chairperson Blickenstaff called the meeting to order at 10:02 a.m. and he led the pledge of allegiance to the flag. 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.

Chairperson Blickenstaff asked if there were any changes, additions and or deletions to the agenda. There were no changes/additions/deletions to the agenda.

Chairman Blickenstaff recognized Assistant Project Manager Ann Heil for her service to this project. He stated that Ms. Heil has been the Assistant Project Manager for the past five and a half years. Ms. Heil has been with the Districts since 1988 working in several departments specializing in environmental compliance. In April 2015 she was promoted to Section Head of the Monitoring Section replacing Mr. Sullivan. Staff would like to recognize Ms. Heil for her dedication and service to the Authority.

CONSENT CALENDAR

Upon motion by Director Finlay, seconded by Director Deshmukh, the motion carried unanimously

M2020-11-1

The Board:

Approved the Consent Calendar.

1. Minutes from the August 3, 2020, regular meeting of the Board of Directors.
2. The Investment and Disbursement Report as submitted.

Director Camacho entered the meeting at 10:09 a.m.

FISCAL YEAR 2019/20 CARRY FORWARD BUDGET AMENDMENT

Ms. Christina Valencia stated that Staff is recommending the Board of Directors approve the carry forward for open encumbrances and related budget in the amount of \$497,672 from FY 2019/20 to FY 2020/21.

Upon motion by Director Finlay, seconded by Director Ferrante, the motion carried unanimously

M2020-11-2

The Board:

Approved the carry forward for open encumbrances and related budget in the amount of \$497,672 from FY 2019/20 to FY 2020/21.

PROJECT MANAGER’S REPORT

Mr. Ziegenbein summarized the facility’s throughput levels stating that biosolids levels are at approximately 650 wet tons and amendments at 300 wet tons per day representing full capacity. He further stated that compost sales volumes are exceeding production volumes and that this is the time of year where farmers are preparing the ground for seeding. He noted that the current Sales and Marketing Coordinator has been promoted to Compost Facility Supervisor of Maintenance and the facility has initiated a recruitment to fill this vacancy. Mr. Ziegenbein continued with a COVID-19 update stating that the facility has been operating full production while following the CDC guidelines to keep staff healthy. He discussed the Biofilter Media Replenishment project stating that the project is required about every two years and that completion is expected in January 2021. Mr. Ziegenbein continued with an update on the maintenance activities, stating that the department has begun testing ABB Smart Sensor technology. This technology is designed to monitor fan bearings and other remote bearings throughout the facility and is programmed to provide alarms when bearings overheat or begin to vibrate. Mr. Ziegenbein added that the facility continues to be closed to the public due to the COVID-19 Pandemic therefore, there are no tours of the facility.

TREASURER’S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED JUNE 30, 2020

Ms. Valencia presented the quarterly report ending September 30, 2020 with total cash, investments and restricted deposits equaled \$2,990,670 showing a decrease of \$1,193,302 when compared to the June balance of \$4,183,972. She stated that the decrease was mainly due to a higher spending in operating and administrative expenses for the annual renewal of the commercial property coverage and general liability insurance for \$572,000 that was paid at the beginning for the quarter and glulam roof repair for \$250,000; and the timing in processing payment of operations, maintenance and labor costs. Interest earnings on the Authority’s investment portfolio totaled \$9,281 for the first quarter through September 2020. Ms. Valencia stated that the Authority will be exercising the Capital Call which will be \$250,000 for each partner. She stated that the last time this was exercised was back in 2014.

CAPITAL PROJECTS UPDATE

Mr. Ziegenbein introduced James Spears, IEUA Associate Engineer, who presented updates on three Capital Projects. The first being the Compost Screening Plant No. 1 Replacement project. He stated that this project was completed last year however, there are some items which required follow-up under warranty by the manufacturer WSM. Most impactful was the screen cloths that after failing twice the manufacturer decided to replace tensioned screen technology which is more robust than the bolt-on style the screen came with. The next update was the Glulam repair project that was completed in two parts. First, temporary columns were installed for safety while engineers evaluated the beam and developed a repair plan. Second, steel reinforcement beams were mounted to the glulam to increase strength and to allow the beam to be put back into service. Mr. Spears stated that construction was completed in September 2020. The third project was the Wash Pad Cover which stated was 70% completed and expected to be finished in December 2020.

DIRECTORS' COMMENTS

None.

With no further business, Chairperson Blickenstaff adjourned the meeting at 10:42 a.m.

Victoria Stone, Recording Secretary

APPROVED: February 1, 2021

**CONSENT
CALENDAR
ITEM**

2B



Date: February 1, 2021

To: Honorable Board of Directors

From: Christina Valencia *CV#649*
Treasurer

Subject: Investment and Disbursement Report

RECOMMENDATION

It is recommended that the Board of Directors approve for the months of October 2020 - December 2020:

1. Total disbursements in the amount of \$2,727,334.63.
2. There were no new investments during October 1, 2020 – December 31, 2020.

BACKGROUND

The October – December 2020 disbursement activity includes check numbers 8557-8643 in the amount of \$287,991.72 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 \$ 2,439,342.91.

Payment Type	Checks From – To	Transactions	Total Amount
Check	8557-8643	87	\$ 287,991.72
ACH		154	\$ 2,438,251.91
Wire Transfer		1	\$ 1,091.00
TOTAL		242	\$ 2,727,334.63

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

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

Check	Payee / Description	Amount
008557	APPLIED INDUSTRIAL TECHNOLOGIE Pulley Brackets, End Clips, Screws 7019734632	703.27
	Items in Dispute - Credited and Rebilled 7019173625	2,794.85
	Items in Dispute - Credited and Rebilled 9000370811	2,794.74-
	3 Precision Pulleys 7019777393	243.29
	9 Torque Flex 7019780568	127.33
	96 Premalube, 4 Air Filters 7019779189	1,104.18
		- - - - -
	APPLIED INDUSTRIAL TECHNOLOGIES\$	2,178.18
008558	CDFA / DMS 2021 Weighmaster License Rnwl Fee 011794 2021	397.50
		- - - - -
	CDFA / DMS \$	397.50
008559	COMMUNICATIONS USA INC. SLR-5700,Mobile Duplexer,Male to Male Ca 221919	3,312.64
		- - - - -
	COMMUNICATIONS USA INC. \$	3,312.64
008560	COMPOSTING COUNCIL RESEARCH ICAW 2021 Nonprofit Sponsor 100000161	750.00
		- - - - -
	COMPOSTING COUNCIL RESEARCH \$	750.00
008561	LIBERTY LANDSCAPING INC 9/14/20 Replace Broken Valve 92692	295.00
		- - - - -
	LIBERTY LANDSCAPING INC \$	295.00
008562	PARAGON CONTROLS INC Micro Trans Board Returned for Repair 1013538976REP	481.11
		- - - - -
	PARAGON CONTROLS INC \$	481.11
008563	RDO EQUIPMENT COMPANY 2 Filters P8629335	304.14
		- - - - -
	RDO EQUIPMENT COMPANY \$	304.14
008564	SOUTHWEST ALARM SERVICE Troubleshoot Siren, Reset System 071015	862.00
		- - - - -
	SOUTHWEST ALARM SERVICE \$	862.00
008565	ALL SEASONS INSULATION INC Install Ceiling Insulation PB108	20,384.00
		- - - - -
	ALL SEASONS INSULATION INC \$	20,384.00
008566	APPLIED INDUSTRIAL TECHNOLOGIE Dodge FCE307R 7019880950	1,965.21
	Air Filters 7019845404	46.15
	480 Misc Conveyor Belts 7019846070	14,698.82
	Air Filters 7019830900	73.54
	Air Filters,Fuel Filters 7019825306	91.33
	Filtration Insert System,Storm Drain Fil 7019875892	7,044.49
	Returned 3 Drain Filters 9000383299	234.43-

Check	Payee / Description		Amount
	Returned 21 Drain Filters	9000383305	1,213.91-
			- - - - -
	APPLIED INDUSTRIAL TECHNOLOGIES		22,471.20
008567	BURRTEC WASTE INDUSTRIES INC 10/20 Trash Service	N2111519462	1,920.81
			- - - - -
	BURRTEC WASTE INDUSTRIES INC	\$	1,920.81
008568	CDFA / DMS Materials Mills Lic Reg Fee Renewal	648153 2020	247.60
			- - - - -
	CDFA / DMS	\$	247.60
008569	CINTAS FIRST AID & SAFETY LOC 9/24/20 First Aid & Safety Supplies	8404824813	386.12
			- - - - -
	CINTAS FIRST AID & SAFETY LOC	\$	386.12
008570	CUCAMONGA VALLEY WATER DISTRIC 8/19-9/20 12645 6th St-Lndscp	60386 9/20	166.70
	8/27-9/29 12645 6th St-FrLn	60392 9/20	46.00
	8/19-9/20 12645 6th St-Lndscp	60388 9/20	146.70
	8/27-9/29 12645 6th St-FrLn	60390 9/20	46.00
			- - - - -
	CUCAMONGA VALLEY WATER DISTRIC	\$	405.40
008571	DATALIZER SLIDE CHARTS INC 1,000 Compost Mulch Bag Calculator	INV-31839	3,487.75
			- - - - -
	DATALIZER SLIDE CHARTS INC	\$	3,487.75
008572	DAVID WHEELER'S PEST CONTROL I 9/20 Ant Control	50366	250.00
	9/20 Pest Control	50358	31.00
	6/20 Pest Control	48339	31.00
	6/20 Ant Control	48347	250.00
	5/20 Pest Control	47039	31.00
			- - - - -
	DAVID WHEELER'S PEST CONTROL I	\$	593.00
008573	DEPARTMENT OF MOTOR VEHICLES 6 Vehicle Registrations	VEHICLE REGST	162.00
			- - - - -
	DEPARTMENT OF MOTOR VEHICLES	\$	162.00
008574	HOME DEPOT CREDIT SERVICES Wheelbarrow,Auger Bit,Utility Knives,Fac 2024579		416.52
			- - - - -
	HOME DEPOT CREDIT SERVICES	\$	416.52
008575	IBS INLAND VALLEY 1 Battery	140033476	116.71
			- - - - -
	IBS INLAND VALLEY	\$	116.71
008576	LIBERTY LANDSCAPING INC 10/2020 Landscaping Services	93243	875.00
	Replace Valve	92926	295.00

Check	Payee / Description	Amount
	LIBERTY LANDSCAPING INC \$	1,170.00
008577	MODULAR BUILDING CONCEPTS INC 10/20 Trailer/Step/Ramp Rental 206898	608.14
	MODULAR BUILDING CONCEPTS INC \$	608.14
008578	RADAR ENVIRONMENTAL INC 9/22/20 Hazardous Waste Disposal 1179	574.00
	RADAR ENVIRONMENTAL INC \$	574.00
008579	RDO EQUIPMENT COMPANY Disc Brake, Channel, Blocks, Spring, Gasket, P8902235 1,102.63 Lamp P8903035 32.84 Travel Warning Alarm P8902335 253.68 Floodlamp P8805235 1,891.21 Elbow Fitting P8805335 8.52 Wiper Arm, Elbow Fitting P8805435 239.68 Fuel Cap P8805535 108.85 Hose, Clamp P8925435 98.09	
	RDO EQUIPMENT COMPANY \$	3,735.50
008580	U S BANK *4246044555725724 9/20 Credit Card Chgs 5572 5724 9/2	296.78
	U S BANK \$	296.78
008581	URIMAGE 500 Arin Bougham Business Cards 11519	20.47
	URIMAGE \$	20.47
008582	VERIZON WIRELESS 9/11/20-10/10/20 Cell Phone 9864639503 10	495.93
	VERIZON WIRELESS \$	495.93
008583	APPLIED INDUSTRIAL TECHNOLOGIE Goldspec Full Keyed Shaft 7019845465 654.90 Shop Supplies 7019891236 600.87 Precision Pulley 7019864805 2,160.93	
	APPLIED INDUSTRIAL TECHNOLOGIE\$	3,416.70
008584	RDO EQUIPMENT COMPANY Troubleshoot Turbo Actuator W6670335 1,235.00 Hy Gard P8814835 812.81 Wiper Arm P8738535 231.16 Wiper Blade P8738335 41.47 Bushing P8612435 15.45 Troubleshoot Loader Power Train W6671935 3,794.58	
	RDO EQUIPMENT COMPANY \$	6,130.47
008585	READY REFRESH BY NESTLE 9/20 Bottled Water, Cooler 10I0029858982	587.21

Check	Payee / Description		Amount
	READY REFRESH BY NESTLE	\$	587.21
008586	SOUTHWEST ALARM SERVICE 9/2020 Agency-Wide Monthly Monitoring Se 071131		462.00
	SOUTHWEST ALARM SERVICE	\$	462.00
008587	APPLIED INDUSTRIAL TECHNOLOGIE		
	60 Premalube Red	7020020664	10,231.80
	Premalube,Air Filters	7019993811	1,131.76
	Air Filter	7020010979	628.04
	12 Precision Pulleys	7019978506	3,004.27
	DODGE FCE 307R	7019891673	3,197.82
	Brg Race and Seal Driver Set	7019955955	69.10
	Precision Pulley	7019950831	2,921.74
	Tip Kit, Cushion Kit	7019943081	1,330.77
	APPLIED INDUSTRIAL TECHNOLOGIES	\$	22,515.30
008588	BACTEE SYSTEMS INC Base Plates,Trench Covers	873-06	17,147.08
	BACTEE SYSTEMS INC	\$	17,147.08
008589	BELZONA CALIFORNIA INC 6 Magma Quartz	5579	3,461.55
	BELZONA CALIFORNIA INC	\$	3,461.55
008590	HARRINGTON INDUSTRIAL PLASTICS Hotweld,Primer,Bushings,Nipples	12K7148	211.26
	HARRINGTON INDUSTRIAL PLASTICS	\$	211.26
008591	HOME DEPOT CREDIT SERVICES Manure Fork,Toolbox,Farm Hose,Hose,Ratch	7010761	405.58
	Blue Def	2011190	107.49
	Gas Cans,Diesel Can,Rodent Traps,Tape Me	8021089	209.08
	Ladders,Snips,Tape Measure,Gloves,Tie Do	8010687	772.21
	HOME DEPOT CREDIT SERVICES	\$	1,494.36
008592	PAPE' MATERIAL HANDLING INC Brake Switch	8453593	24.09
	PAPE' MATERIAL HANDLING INC	\$	24.09
008593	RDO EQUIPMENT COMPANY Troubleshoot Loader Auto Lube	W6794835	543.60
	Hub Wdlt	P9081635	6,719.16
	Wiper Arm	P8996935	231.16
	Bushing	P8997035	15.76
	Line	P8997135	613.72
	Alternator	P8997235	634.28
	Hub, Brake Pad	P9088035	313.66
	Troubleshoot Loader Power Train Leak	W6739735	27,297.01
	RDO EQUIPMENT COMPANY	\$	36,368.35

Check	Payee / Description		Amount
008594	SOUTHWEST ALARM SERVICE		
	Service Beams & Motion Detector	071300	218.00
	10/2020 Agency-Wide Monthly Monitoring S	071420	462.00
			- - - - -
	SOUTHWEST ALARM SERVICE	\$	680.00
008595	APPLIED INDUSTRIAL TECHNOLOGIE		
	Couplings, Washers Oil Service Red	7020046077	347.03
	3 Air Filters, Poly Tubing	7020124175	171.39
	2 Air Filters	7020098882	33.60
	Hammer Puller Set, Blind Hole Puller	7020067210	582.12
	3 Air Filters	7020124172	80.59
			- - - - -
	APPLIED INDUSTRIAL TECHNOLOGIES	\$	1,214.73
008596	BURRTEC WASTE INDUSTRIES INC		
	11/20 Trash Service	N2111585014	1,920.81
			- - - - -
	BURRTEC WASTE INDUSTRIES INC	\$	1,920.81
008597	CINTAS FIRST AID & SAFETY LOC		
	10/21/20 First Aid & Safety Supplies	8404871765	406.24
			- - - - -
	CINTAS FIRST AID & SAFETY LOC	\$	406.24
008598	CITY OF RANCHO CUCAMONGA		
	FY 20/21 Annl Parcel Assessment -1st Ins	AR129475	217.00
			- - - - -
	CITY OF RANCHO CUCAMONGA	\$	217.00
008599	HOME DEPOT CREDIT SERVICES		
	Hose, Hog Pliers, Hog Ring, Nozzle	2012019	203.77
	Shop Supplies	4022526	333.34
			- - - - -
	HOME DEPOT CREDIT SERVICES	\$	537.11
008600	IBS INLAND VALLEY		
	2 Batteries	140033730	378.55
			- - - - -
	IBS INLAND VALLEY	\$	378.55
008601	KIFER HYDRAULICS COMPANY INC		
	Swivel, Adapters, Bushings, Fittings, Studs	66708	449.20
			- - - - -
	KIFER HYDRAULICS COMPANY INC	\$	449.20
008602	MODULAR BUILDING CONCEPTS INC		
	11/20 Trailer/Step/Ramp Rental	207164	608.14
			- - - - -
	MODULAR BUILDING CONCEPTS INC	\$	608.14
008603	O RINGS & THINGS		
	1,000 Buna O-Rings	112340	94.26
			- - - - -
	O RINGS & THINGS	\$	94.26
008604	RADAR ENVIRONMENTAL INC		
	10/28/20 Hazardous Waste Disposal	1198	895.00

Check	Payee / Description	Amount
	RADAR ENVIRONMENTAL INC	\$ 895.00
008605	RDO EQUIPMENT COMPANY	
	Hy-Gard P9273435	812.81
	Axle,Bearings,Hydraulic Fluid,Seals,Scre P9199235	2,106.65
	Hand Pump, Pump P9179835	73.28
	Filters P9273135	304.14
	Cap P9273335	25.55
	Loader Air Cleaner,Work Light,Windshield W6833835.	4,268.89
	RDO EQUIPMENT COMPANY	\$ 7,591.32
008606	SOIL CONTROL LAB	
	9/30/2020 Finished Compost,Size Distribu 0090276	397.00
	10/21/2020 Finished Compost Pkg 0100254	349.00
	10/21/2020 Size Distribution & Inserts-S 0100255	48.00
	SOIL CONTROL LAB	\$ 794.00
008607	SOUTHWEST ALARM SERVICE	
	11/2020 Agency-Wide Monthly Monitoring S 071708	462.00
	SOUTHWEST ALARM SERVICE	\$ 462.00
008608	U S BANK	
	*4246044555725724 10/20 Credit Card Chgs 5572 5724 10/	94.27
	U S BANK	\$ 94.27
008609	APPLIED INDUSTRIAL TECHNOLOGIE	
	Shop Supplies 7020147459	1,796.02
	2 Link Belts 7020210011	1,024.92
	Shop Supplies 7020147460	320.81
	Shop Supplies 7020156815	149.47
	Shop Supplies 7020156816	610.36
	2 Precision Pulleys 7020200513	114.04
	Shop Supplies 7020147461	1,042.61
	Shop Supplies 7020147618	1,447.70
	Return 10 Rolls High Density Tape 9000371329	37.65-
	Credit for 10 Boxes L Gloves 9000369737	136.97-
	APPLIED INDUSTRIAL TECHNOLOGIES	\$ 6,331.31
008610	CUCAMONGA VALLEY WATER DISTRIC	
	9/29-10/29 12645 6th St-FrLn 60392 10/20	46.00
	9/20-10/20 12645 6th St-Lndscp 60386 10/20	166.70
	9/20-10/20 12645 6th St-Lndscp 60388 10/20	142.88
	9/29-10/29 12645 6th St-FrLn 60390 10/20	46.00
	CUCAMONGA VALLEY WATER DISTRIC	\$ 401.58
008611	DAVID WHEELER'S PEST CONTROL I	
	10/20 Gopher Control 43188	200.00
	10/20 Rodent Control 43187	920.00
	10/20 Pest Control 51021	31.00
	DAVID WHEELER'S PEST CONTROL I	\$ 1,151.00

Check	Payee / Description	Amount
008612	HOME DEPOT CREDIT SERVICES	
	Hanger Strap, Vinegar 522301	19.78
	Ryobi, Cup Wheel, Ext Cord, Command Strips, 1024001	463.34
	250 Bright/Soft Pellets 3901519	1,289.23
	Area Light, Spot Light, Duck Gloves, Tape M 7012548	470.45
	Hose, Rake, Shovel, Nozzle, Chanellock, Plier 7014138	325.58
		- - - - -
	HOME DEPOT CREDIT SERVICES \$	2,568.38
008613	IBS INLAND VALLEY	
	31P-MHD 140033859	164.73
		- - - - -
	IBS INLAND VALLEY \$	164.73
008614	LIBERTY LANDSCAPING INC	
	11/2020 Landscaping Services 94147	875.00
		- - - - -
	LIBERTY LANDSCAPING INC \$	875.00
008615	MCKINLEY EQUIPMENT CORPORATION	
	Dynalogix II Controller M111109-IN	2,696.96
		- - - - -
	MCKINLEY EQUIPMENT CORPORATION\$	2,696.96
008616	RDO EQUIPMENT COMPANY	
	Screw, Washer P9359035	11.06
	Plus 50 Engine Oil P9359335	959.88
	Axle P9542635	2,080.25
	2 Bolts P9457735	29.22
	Return 2 Screws P9621635	5.71-
		- - - - -
	RDO EQUIPMENT COMPANY \$	3,074.70
008617	APPLIED INDUSTRIAL TECHNOLOGIE	
	2 15/16" X 80 TGP 7020208862	1,270.33
	30 Precision Pullies—Over Price Error C 9000390630	1,285.57-
	Air Filters 7020283073	104.31
	Air Filters 7020283072	153.09
	3 Oil Filters, 2 Fuel Filters 7020240125	239.40
	Flexco Fasteners 7020283179	330.25
	Flexco Fasteners 7020282976	990.76
	Flexco Fasteners 7020282974	330.25
	Baldor Smart Sensor 7020270195	1,875.90
	Air Filters 7020242627	674.34
	Dodge P2BSCM207 7020263396	423.61
	Conveyor System, Shaft, Expedite Charge 7020283282	1,276.50
	4 Dodge F4BSC107 7020283396	304.16
	30 Precision Pullies 7020020663	10,219.69
	Eurodrive 7020268353	5,710.02
		- - - - -
	APPLIED INDUSTRIAL TECHNOLOGIES\$	22,617.04
008618	BROLUBE LTD	
	Hose, Fittings, Adpters, Check Valve, Connec 20-117	1,432.36
	Hose Stud, Screw Sleeve, Bulkhead Fitting 20-106	197.60
		- - - - -
	BROLUBE LTD \$	1,629.96
008619	CUCAMONGA VALLEY WATER DISTRIC	

Check	Payee / Description	Amount
	10/20-11/18 12645 6th St-Lndscp 60386 11/20	164.79
	10/29-11/25 12645 6th St-FrLn 60392 11/20	46.00
	10/29-11/25 12645 6th St-FrLn 60390 11/20	46.00
	10/20-11/18 12645 6th St-Lndscp 60388 11/20	144.79
	CUCAMONGA VALLEY WATER DISTRICT\$	401.58
008620	CUTTING EDGE SUPPLY CO Bucket Cylinders, Seal Kits CCSINV014224	3,936.66
	CUTTING EDGE SUPPLY CO \$	3,936.66
008621	DAVID WHEELER'S PEST CONTROL I 11/20 Pest Control 51676	31.00
	10/20 Rodent Control 52085	380.00
	11/20 Gopher Control 52190.	200.00
	DAVID WHEELER'S PEST CONTROL I\$	611.00
008622	ELECTRONIC INNOVATION INC 1 Receiver Board 952953	750.00
	ELECTRONIC INNOVATION INC \$	750.00
008623	HOME DEPOT CREDIT SERVICES Digital Thermo Hygrometer 1554064	54.63
	HOME DEPOT CREDIT SERVICES \$	54.63
008624	JJ ROOFING RCA Roof Repair 17161	5,350.00
	JJ ROOFING \$	5,350.00
008625	RDO EQUIPMENT COMPANY V-Belt P9637335	106.52
	Tightener P9547135	168.09
	Windshield Replacement W6867735	971.31
	Filter P9637435	304.14
	Cap P9650735	36.09
	Troubleshoot-Loader No Start, Backup Came W6781735	3,490.56
	Weldment Slider, Roller, Front Idle, Washer P9081535	2,967.05
	RDO EQUIPMENT COMPANY \$	8,043.76
008626	READY REFRESH BY NESTLE 10/20 Bottled Water, Cooler 10J0029858982	133.24
	READY REFRESH BY NESTLE \$	133.24
008627	SOUTHWEST ALARM SERVICE 12/2020 Agency-Wide Monthly Monitoring S 071994	462.00
	SOUTHWEST ALARM SERVICE \$	462.00
008628	VERIZON WIRELESS 10/11/20-11/10/20 Cell Phone 9866739985 11	495.93
	VERIZON WIRELESS \$	495.93

Check	Payee / Description		Amount
008629	APPLIED INDUSTRIAL TECHNOLOGIE		
	Hi Cap QD Sheave, Poly Tubing	7020380299	1,051.79
	Premalube, Conshear Blade, Bushing	7020418625	3,531.01
	Exhaust Fans	7020370075	774.31
	Tensioner System, V Plow Mine Duty XD	7020408886	15,243.04
			- - - - -
	APPLIED INDUSTRIAL TECHNOLOGIES		20,600.15
008630	CASCO EQUIPMENT CORPORATION		
	Inspect Two Dynaco Doors	136910	835.31
			- - - - -
	CASCO EQUIPMENT CORPORATION	\$	835.31
008631	CINTAS FIRST AID & SAFETY LOC		
	11/18/20 First Aid & Safety Supplies	8404909406	419.62
			- - - - -
	CINTAS FIRST AID & SAFETY LOC		419.62
008632	CUTTING EDGE SUPPLY CO		
	Repair Bucket Side Walls	MRCINV602989	19,085.75
			- - - - -
	CUTTING EDGE SUPPLY CO	\$	19,085.75
008633	HARRINGTON INDUSTRIAL PLASTICS		
	Pipe, Solvent Cement, Primer for PVC	012K7689	298.63
			- - - - -
	HARRINGTON INDUSTRIAL PLASTICS		298.63
008634	HOME DEPOT CREDIT SERVICES		
	Manure, Contractor Bag, Wipes	9274115	370.14
			- - - - -
	HOME DEPOT CREDIT SERVICES	\$	370.14
008635	LIBERTY LANDSCAPING INC		
	12/2020 Landscaping Services	94816	875.00
			- - - - -
	LIBERTY LANDSCAPING INC	\$	875.00
008636	MODULAR BUILDING CONCEPTS INC		
	12/20 Trailer/Step/Ramp Rental	207420	608.14
			- - - - -
	MODULAR BUILDING CONCEPTS INC	\$	608.14
008637	RADAR ENVIRONMENTAL INC		
	11/18/20 Hazardous Waste Disposal	1230	50.00
			- - - - -
	RADAR ENVIRONMENTAL INC	\$	50.00
008638	RDO EQUIPMENT COMPANY		
	Miscellaneous Diagnostics	W6826035	4,270.79
	Wiper Arm, Screws	P9786335	717.98
			- - - - -
	RDO EQUIPMENT COMPANY	\$	4,988.77
008639	READY REFRESH BY NESTLE		
	11/20 Bottled Water, Cooler	10K0029858982	22.55
			- - - - -
	READY REFRESH BY NESTLE	\$	22.55

Check	Payee / Description	Amount
008640	SOIL CONTROL LAB 12/4/2020 Finished Compost Pkg 0110285	349.00
	SOIL CONTROL LAB \$	349.00
008641	SOUTHWEST ALARM SERVICE Replace Bad Command Center, Batteries, Cod 072157	1,520.02
	SOUTHWEST ALARM SERVICE \$	1,520.02
008642	U S BANK *4246044555725724 11/20 Credit Card Chgs 5572 5724 11/	754.29
	U S BANK \$	754.29
008643	VERIZON WIRELESS 11/11/20-12/10/20 Cell Phone 9868853873 12	1,231.39
	VERIZON WIRELESS \$	1,231.39
ACH	INLAND EMPIRE UTILITIES AGENCY 8/2020 Bldg Lease Pymt 90027337	6,635.74
	INLAND EMPIRE UTILITIES AGENCY\$	6,635.74
ACH	COUNTY SANITATION DISTRICTS OF 7/2020 Construction Inspection, Health, Sa 29102	5,432.27
	COUNTY SANITATION DISTRICTS OF\$	5,432.27
ACH	PATTON SALES CORP Angle 4053971	268.51
	PATTON SALES CORP \$	268.51
ACH	MCMASTER-CARR SUPPLY CO 4 Gallons Distilled Water 44881518	37.40
	MCMASTER-CARR SUPPLY CO \$	37.40
ACH	INDUSTRIAL SUPPLY CO Nuts, Bolts, Screws 3359	107.09
	INDUSTRIAL SUPPLY CO \$	107.09
ACH	PALM AUTO DETAIL INC 9/20 Carwash for RCA Vehicles 20989-1	654.75
	PALM AUTO DETAIL INC \$	654.75
ACH	ALLIED UNIVERSAL SECURITY SERV 9/2020 Patrol Svcs 10365618	915.00
	ALLIED UNIVERSAL SECURITY SERV\$	915.00
ACH	VIRAMONTES EXPRESS INC 8/25/2020-8/28/2020 Compost Hauling 119502	716.88
	8/3/2020 Compost Hauling 119398	1,300.00

Check	Payee / Description		Amount
	8/18/2020 Compost Hauling	119350	721.00
	VIRAMONTES EXPRESS INC	\$	2,737.88
ACH	NEXT STAGE ENGINEERING & CONST RA17007-8/20 Pay Est 10	PE 10-RA17007	104,500.00
	NEXT STAGE ENGINEERING & CONST\$		104,500.00
ACH	INLAND EMPIRE WINDUSTRIAL CO Galv Mi Reducer Imp	031474 01	70.86
	Black Wld Nip Tbe	031509 01	180.63
	INLAND EMPIRE WINDUSTRIAL CO	\$	251.49
ACH	INLAND EMPIRE UTILITIES AGENCY Redwood Energy II-75% due to IEUA	1800004598	323,051.51
	INLAND EMPIRE UTILITIES AGENCY\$		323,051.51
ACH	BERNELL HYDRAULICS Hose, Swivels	0387188-IN	307.98
	BERNELL HYDRAULICS	\$	307.98
ACH	KONICA MINOLTA BUSINESS SOLUTI 8/13/20-9/12/20 Maintenance Agreement	9007113584	20.18
	KONICA MINOLTA BUSINESS SOLUTI\$		20.18
ACH	MCCROMETER INC 8" Meter	542007	3,016.60
	MCCROMETER INC	\$	3,016.60
ACH	MEE INDUSTRIES INC Nozzle Reconditioning	55166	4,293.21
	Nozzle Reconditioning	55167	4,401.99
	MEE INDUSTRIES INC	\$	8,695.20
ACH	CARRIER CORPORATION 8/2020 HVAC Maintenance	90072948	2,142.00
	CARRIER CORPORATION	\$	2,142.00
ACH	DOWNNS ENERGY 2,377 Gals Red Dyed Diesel Fuel	0269823-IN	4,083.03
	DOWNNS ENERGY	\$	4,083.03
ACH	R & S INDUSTRIAL FIELD SERVICE Install SS Handrails on Scrn BC 19	2994	11,647.00
	Change Out Head Pulley and Gearbox	2995	16,891.00
	R & S INDUSTRIAL FIELD SERVICE\$		28,538.00
ACH	EGGLETON TRUCKING INC 9/25/2020 Compost Hauling	1375	1,140.48

Check	Payee / Description	Amount
	EGGLETON TRUCKING INC	\$ 1,140.48
ACH	VIRAMONTES EXPRESS INC 9/8/20-9/9/20 Compost Hauling 119587	692.16
	VIRAMONTES EXPRESS INC	\$ 692.16
ACH	AMAZON BUSINESS 5 Microsoft Lifecams 1GRL-PVYL-RR4	398.60
	AMAZON BUSINESS	\$ 398.60
ACH	INLAND EMPIRE WINDUSTRIAL CO Freight Charges for Invoice 031117 01 031117 03	34.34
	INLAND EMPIRE WINDUSTRIAL CO	\$ 34.34
ACH	HOME DEPOT CREDIT SERVICES Wrenches, Storage Bins, Screwdrivers, Plier 3023507	272.19
	HOME DEPOT CREDIT SERVICES	\$ 272.19
ACH	WAXIE SANITARY SUPPLY Cups, Paper Towels, Trash Bags, Hand Soap 79474906	739.97
	WAXIE SANITARY SUPPLY	\$ 739.97
ACH	TRANSWEST TRUCK CENTER LLC Repair Internal Short in Range Sensor RA500015377	1,835.30
	TRANSWEST TRUCK CENTER LLC	\$ 1,835.30
ACH	GRAINGER INC Pistol Grip Air Gun 9659750815 Pistol Grip Air Gun 9658426755	236.21 228.13
	GRAINGER INC	\$ 464.34
ACH	KONICA MINOLTA BUSINESS SOLUTI 7/1/20-7/31/20 Maintenance Agreement 9006985618 6/27/20-7/26/20 Maintenance Agreement 9006985395	101.45 9.67
	KONICA MINOLTA BUSINESS SOLUTI	\$ 111.12
ACH	MCMASTER-CARR SUPPLY CO SS Tubing Fittings, Multimeter Carry Cas 45821089	243.36
	MCMASTER-CARR SUPPLY CO	\$ 243.36
ACH	REOTEMP INSTRUMENTS CORP 5 Battery Retention Clips 0296755-IN	58.30
	REOTEMP INSTRUMENTS CORP	\$ 58.30
ACH	CARRIER CORPORATION Troubleshoot SS VFD Room not Cooling 90074304	3,019.52
	CARRIER CORPORATION	\$ 3,019.52

Check	Payee / Description		Amount
ACH	EGGLETON TRUCKING INC		
	9/28/2020 Compost Hauling	1403	520.74
	9/29/2020 Compost Hauling	1405	781.11
	9/2020 Compost Hauling	1404	1,485.00
			- - - - -
	EGGLETON TRUCKING INC	\$	2,786.85
ACH	VIRAMONTES EXPRESS INC		
	9/2020 Compost Hauling	119662	621.09
	9/2020 Compost Hauling	119676	1,900.35
			- - - - -
	VIRAMONTES EXPRESS INC	\$	2,521.44
ACH	AMAZON BUSINESS		
	20 Boxes Face Masks	14LR-GGP3-FQ3	323.00
			- - - - -
	AMAZON BUSINESS	\$	323.00
ACH	BERNELL HYDRAULICS		
	24 Glbl Hose, 2 Female Jic Swivel	0389431-IN	158.40
	Hose, Female JIC Swivel	0389430-IN	42.67
	8 JIC-90 Swivels	0389429-IN	22.15
			- - - - -
	BERNELL HYDRAULICS	\$	223.22
ACH	KONICA MINOLTA BUSINESS SOLUTI		
	8/27/20-9/26/20 Maintenance Agreement	9007148553	14.08
			- - - - -
	KONICA MINOLTA BUSINESS SOLUTI\$		14.08
ACH	CARRIER CORPORATION		
	Troubleshoot Air Handler	90074827	615.00
	10/2020 HVAC Maintenance	90079168	2,142.00
	Troubleshoot VFD Room Air Conditioning	90074613	1,115.00
	Troubleshoot Mens Restroom not Cooling	90074754	678.56
			- - - - -
	CARRIER CORPORATION	\$	4,550.56
ACH	ATOM ENGINEERING CONSTRUCTION		
	RA20008-9/20 Pay Estimate 2	PE 2-RA20008	31,643.64
			- - - - -
	ATOM ENGINEERING CONSTRUCTION	\$	31,643.64
ACH	MICRO MOTION INC		
	Flanged Magnetic Flow Meter	40607447.	3,095.39
			- - - - -
	MICRO MOTION INC	\$	3,095.39
ACH	VIRAMONTES EXPRESS INC		
	5/12/2020 Compost Hauling	119738	415.00
	8/21/2020 Compost Hauling	119737	360.50
			- - - - -
	VIRAMONTES EXPRESS INC	\$	775.50
ACH	AMAZON BUSINESS		
	Outdoor Convex Security Mirror	1P6M-614Q-KGQ	377.12
			- - - - -
	AMAZON BUSINESS	\$	377.12

Check	Payee / Description	Amount
ACH	NEXT STAGE ENGINEERING & CONST RA17007-9/20 Pay Est 11 PE 11-RA17007	3,883.12
	NEXT STAGE ENGINEERING & CONST\$	3,883.12
ACH	INLAND EMPIRE UTILITIES AGENCY 9/2020 Bldg Lease Pymt 90027530	6,635.74
	8/20 NRW Charges 90027467	3,148.14
	INLAND EMPIRE UTILITIES AGENCY\$	9,783.88
ACH	COUNTY SANITATION DISTRICTS OF 8/2020 Construction Inspection,Health,Sa 29315	879.42
	COUNTY SANITATION DISTRICTS OF\$	879.42
ACH	HOME DEPOT CREDIT SERVICES Water Softener Salt Pellets 7903860	570.28
	Addition Sales Tax not on Original Invoi 7903860 SALES	6.12
	Hose,Coupler Plug,Primer,Air Hose,Drill 8085300	231.88
	HOME DEPOT CREDIT SERVICES \$	808.28
ACH	GRAINGER INC Tower Light,Crimper 9674463766	645.06
	GRAINGER INC \$	645.06
ACH	FAIRBANKS SCALES INC Repair Load Cell Scale 1519386	7,133.25
	FAIRBANKS SCALES INC \$	7,133.25
ACH	BERNELL HYDRAULICS Parflex,Swivel 0389910-IN	441.86
	Paraflex,Hose,Nipple 0389622-IN	408.77
	Swivel,Hose,Coupling 0389615-IN	348.66
	BERNELL HYDRAULICS \$	1,199.29
ACH	KONICA MINOLTA BUSINESS SOLUTI 9/1/20-9/30/20 Maintenance Agreement 9007165156	104.53
	KONICA MINOLTA BUSINESS SOLUTI\$	104.53
ACH	ASSOC OF COMPOST PRODUCERS (AC 2020 ACP IEUA Portion f/Participation 00143	5,000.00
	ASSOC OF COMPOST PRODUCERS (AC\$	5,000.00
ACH	ALLIED UNIVERSAL SECURITY SERV 10/2020 Patrol Svcs 10481783	915.00
	ALLIED UNIVERSAL SECURITY SERV\$	915.00
ACH	DOWNS ENERGY 2,196.30 Gals Red Dyed Diesel Fuel 0270411-IN	3,917.02

Check	Payee / Description		Amount
	EGGLETON TRUCKING INC	\$	1,441.44
ACH	VIRAMONTES EXPRESS INC 10/5/2020 Compost Hauling	119926	513.97
	VIRAMONTES EXPRESS INC	\$	513.97
ACH	Inland Empire Utilities Agency 8/2020 O&M Expenses 8/2020 L&B Expenses	SAP0820-RCAO& SAP0820-RCAL&	48,429.45 354,568.67
	Inland Empire Utilities Agency\$		402,998.12
ACH	COUNTY SANITATION DISTRICTS OF 9/2020 Construction Inspection,Health,Sa 29577		291.77
	COUNTY SANITATION DISTRICTS OF\$		291.77
ACH	PATTON SALES CORP Flat Bar, Angle	4082179	3,216.12
	PATTON SALES CORP	\$	3,216.12
ACH	GRAINGER INC Infrared Thermometer	9684295075	118.78
	GRAINGER INC	\$	118.78
ACH	CERTIFIED LABORATORIES 4 Premalube	7130753	1,068.88
	CERTIFIED LABORATORIES	\$	1,068.88
ACH	CHAMPION FIRE SYSTEMS INC 8/17/20 Annual Inspection Repairs During Annual Inspection	55959 56401	2,900.00 2,601.28
	CHAMPION FIRE SYSTEMS INC	\$	5,501.28
ACH	DOWNS ENERGY 2,105.90 Gals Red Dyed Diesel Fuel 1 Drum PC Hydrex AW 68 Hyd Fluid	0271085-IN 0271252-IN	3,845.23 387.50
	DOWNS ENERGY	\$	4,232.73
ACH	STAFFING NETWORK LLC Garcia,Y-W/E 10/16/20-Refund of Overbill Garcia,Y-W/E 10/16/20-Refund of Overbill Garcia,Y-W/E 10/16/20 79.66 Hours (Incor Garcia,Y-W/E 10/16/20 32 Hours	95816565 95816564 95816405 95815684	59.75- 1,135.16- 2,389.80 912.00
	STAFFING NETWORK LLC	\$	2,106.89
ACH	EGGLETON TRUCKING INC 10/30/2020 Compost Hauling 10/26/2020 Compost Hauling 10/2020 Compost Hauling	1485 1487 1486	260.37 360.36 4,118.40

Check	Payee / Description		Amount
	EGGLETON TRUCKING INC	\$	4,739.13
ACH	VIRAMONTES EXPRESS INC Red Star Fertilizer Premium Compost 9/2020 Compost Hauling	92446-2 120004	10,147.15 1,900.35 -----
	VIRAMONTES EXPRESS INC	\$	12,047.50
ACH	AMAZON BUSINESS Home and Garden Sprayer Cutlery, Paper Plates, Paper Bowls, Danger	1YRD-NNH1-16M 1LGV-TQKV-3HP	32.31 51.21 -----
	AMAZON BUSINESS	\$	83.52
ACH	BERNELL HYDRAULICS Male JIC, Hose, Sleeve	0391057-IN	67.22 -----
	BERNELL HYDRAULICS	\$	67.22
ACH	INDUSTRIAL SUPPLY CO Nuts, Bolts, Screws Nuts, Bolts, Screws	3678 3691	231.80 451.99 -----
	INDUSTRIAL SUPPLY CO	\$	683.79
ACH	PEST OPTIONS INC 10/20 Weed Control Svcs	361260	98.80 -----
	PEST OPTIONS INC	\$	98.80
ACH	HERC RENTALS INC Forklift Rental	31741034-001	1,382.11 -----
	HERC RENTALS INC	\$	1,382.11
ACH	ALTA FOODCRAFT RCA-2 Everpure OCS Filters	52010028	183.50 -----
	ALTA FOODCRAFT	\$	183.50
ACH	DOWNS ENERGY 1 Drum Hydrex	0271260-IN	376.73 -----
	DOWNS ENERGY	\$	376.73
ACH	STAFFING NETWORK LLC Garcia, Y-W/E 10/30/20 40 Hours	95817067	1,200.00 -----
	STAFFING NETWORK LLC	\$	1,200.00
ACH	EGGLETON TRUCKING INC 11/3/2020 Compost Hauling	1503	514.80 -----
	EGGLETON TRUCKING INC	\$	514.80
ACH	VIRAMONTES EXPRESS INC 10/2020 Compost Hauling	120089	1,670.66 -----
	VIRAMONTES EXPRESS INC	\$	1,670.66

Check	Payee / Description	Amount
ACH	NEXT STAGE ENGINEERING & CONST RA17007-10/20 Pay Est 12	PE 12-RA17007 15,941.00
	NEXT STAGE ENGINEERING & CONST\$	15,941.00
ACH	SOLAR STAR CALIFORNIA VI LLC 10/20 Solar 12811 Sixth St	E02M0612-3993 8,411.74
	SOLAR STAR CALIFORNIA VI LLC \$	8,411.74
ACH	Inland Empire Utilities Agency 9/2020 L&B Expenses 9/2020 O&M Expenses	SAP0920-RCAL& 388,246.74 SAP0920-RCAO& 39,304.44
	Inland Empire Utilities Agency\$	427,551.18
ACH	WAXIE SANITARY SUPPLY Mop Pads, Paper Towels, Glass Cleaner, Brow	79573567 724.25
	WAXIE SANITARY SUPPLY \$	724.25
ACH	GRAINGER INC Linear Actuator	9696348904 213.14
	GRAINGER INC \$	213.14
ACH	KONICA MINOLTA BUSINESS SOLUTI 10/1/20-10/30/20 Maintenance Agreement 9/27/20-10/26/20 Maintenance Agreement	9007247613 111.00 9007231508 14.22
	KONICA MINOLTA BUSINESS SOLUTI\$	125.22
ACH	DOWNNS ENERGY 2,400.60 Gals Red Dyed Diesel Fuel	0271834-IN 4,416.10
	DOWNNS ENERGY \$	4,416.10
ACH	STAFFING NETWORK LLC Garcia, Y-W/E 11/13/20 41 Hours	95817683 1,245.00
	STAFFING NETWORK LLC \$	1,245.00
ACH	EGGLETON TRUCKING INC 11/11/2020 Compost Hauling	1532 180.18
	EGGLETON TRUCKING INC \$	180.18
ACH	PRIORITY BUILDING SERVICES LLC 10/20 Janitorial Service Fee	72282 1,107.61
	PRIORITY BUILDING SERVICES LLC\$	1,107.61
ACH	VIRAMONTES EXPRESS INC 10/2020 Compost Hauling	120143 996.01
	VIRAMONTES EXPRESS INC \$	996.01
ACH	AMAZON BUSINESS	

Check	Payee / Description		Amount
	4 Hoodies, Humidity Meter	1WKR-CFMW-MTV	334.47
	8 Illumagear Halo SL	1R4L-X9YY-9HC	1,120.48
	Brother Mono Laser Printer	1QLJ-PGHI-343	165.92
			- - - - -
	AMAZON BUSINESS	\$	1,620.87
ACH	INLAND EMPIRE WINDUSTRIAL CO Nipples, Reducers	032020 01	459.14
			- - - - -
	INLAND EMPIRE WINDUSTRIAL CO	\$	459.14
ACH	CITY RENTALS INC Boomlift Rental	81920	863.37
			- - - - -
	CITY RENTALS INC	\$	863.37
ACH	GRAINGER INC 2 Exit Signs	9708300455	283.09
			- - - - -
	GRAINGER INC	\$	283.09
ACH	INDUSTRIAL SUPPLY CO ATR 3', Blow Gun	3779	77.22
			- - - - -
	INDUSTRIAL SUPPLY CO	\$	77.22
ACH	ALLIED UNIVERSAL SECURITY SERV 11/2020 Patrol Svcs	10559544	915.00
			- - - - -
	ALLIED UNIVERSAL SECURITY SERV	\$	915.00
ACH	STAFFING NETWORK LLC Garcia, Y-W/E 10/20/20 40 Hours	95818361	1,200.00
			- - - - -
	STAFFING NETWORK LLC	\$	1,200.00
ACH	VIRAMONTES EXPRESS INC 10/2020 BioFilter Media	120249	40,729.50
	9/2020 BioFilter Media	120248	38,466.75
	8/2020 BioFilter Media	120247	4,525.50
	11/3/2020 Compost Hauling	120209	231.75
	10/2020 Compost Hauling	120171	695.25
			- - - - -
	VIRAMONTES EXPRESS INC	\$	84,648.75
ACH	AMAZON BUSINESS Return Laser Printer	16NJ-MLCY-3H9	149.18
	Laser Printer	1CGG-LRD1-WNJ	183.16
			- - - - -
	AMAZON BUSINESS	\$	33.98
ACH	PATTON SALES CORP Round Tube, Base Plates	4100732	497.52
			- - - - -
	PATTON SALES CORP	\$	497.52
ACH	GRAINGER INC Replacement Oxygen Sensor	9716031704	196.60
	5 Boxes Smoke Candles	9712527838	656.63

Check	Payee / Description	Amount
	Full Body Harness,Self Retracting Lifeli Self Retracting Lifeline	9712001222 1,648.18 9715092954 1,003.24 ----- GRAINGER INC \$ 3,504.65
ACH	KONICA MINOLTA BUSINESS SOLUTI 10/13/20-11/12/20 Maintenance Agreement	9007278768 21.74 ----- KONICA MINOLTA BUSINESS SOLUTI\$ 21.74
ACH	INDUSTRIAL SUPPLY CO 10 U-Bolts	3825 44.18 ----- INDUSTRIAL SUPPLY CO \$ 44.18
ACH	PALM AUTO DETAIL INC 11/20 Carwash for RCA Vehicles	201189-1 523.80 ----- PALM AUTO DETAIL INC \$ 523.80
ACH	CHAMPION FIRE SYSTEMS INC 11/13/20 Annual Fire Hydrant Flush	56918 1,125.00 ----- CHAMPION FIRE SYSTEMS INC \$ 1,125.00
ACH	ALLIED UNIVERSAL SECURITY SERV 12/2020 Patrol Svcs	12027511 915.00 ----- ALLIED UNIVERSAL SECURITY SERV\$ 915.00
ACH	CARRIER CORPORATION Install Ice Cube Maker in VFD Room	90082132 2,295.34 ----- CARRIER CORPORATION \$ 2,295.34
ACH	ALTA FOODCRAFT Coffee,Splenda,Coffeemate,Tea,Cocoa,Stir	12027511 315.49 ----- ALTA FOODCRAFT \$ 315.49
ACH	STAFFING NETWORK LLC Garcia,Y-W/E 11/27/20 40 Hours	95820087 1,200.00 ----- STAFFING NETWORK LLC \$ 1,200.00
ACH	EGGLETON TRUCKING INC 11/2020 Compost Hauling 11/25/2020 Compost Hauling	1546 1,041.48 1547 360.36 ----- EGGLETON TRUCKING INC \$ 1,401.84
ACH	VIRAMONTES EXPRESS INC 11/2020 Compost Hauling	120263 1,035.15 ----- VIRAMONTES EXPRESS INC \$ 1,035.15
ACH	AMAZON BUSINESS Sign,Bracket	14K3-MDHD-WPJ 30.30 -----

Check	Payee / Description		Amount
	AMAZON BUSINESS	\$	30.30
ACH	INLAND EMPIRE WINDUSTRIAL CO		
	PVC Cap	032377 01	29.20
	PVC Cap	032311 01	25.05
	INLAND EMPIRE WINDUSTRIAL CO	\$	54.25
ACH	INLAND EMPIRE UTILITIES AGENCY		
	10/2020 Bldg Lease Pymt	90027845	6,635.74
	INLAND EMPIRE UTILITIES AGENCY	\$	6,635.74
ACH	PATTON SALES CORP		
	Stainless Steel Angle	4098599	358.16
	PATTON SALES CORP	\$	358.16
ACH	GRAINGER INC		
	Multi Gas Detector Confined Space Kit	9722794154	1,446.05
	GRAINGER INC	\$	1,446.05
ACH	BERNELL HYDRAULICS		
	Compact Spiral, Fem Seal Lok, Crimp FTG	0391453-IN	405.46
	Air Filters	0393183-IN	598.29
	BERNELL HYDRAULICS	\$	1,003.75
ACH	CHAMPION FIRE SYSTEMS INC		
	Repair Leak BH Discharge Duct	56837	3,160.00
	CHAMPION FIRE SYSTEMS INC	\$	3,160.00
ACH	PEST OPTIONS INC		
	11/20 Weed Control Svcs	363650	98.80
	PEST OPTIONS INC	\$	98.80
ACH	MEE INDUSTRIES INC		
	Install Pre Filtration System	55409	3,918.43
	MEE INDUSTRIES INC	\$	3,918.43
ACH	HERC RENTALS INC		
	Water Truck Rental	31696976-001	3,092.59
	HERC RENTALS INC	\$	3,092.59
ACH	DOWNS ENERGY		
	3,077.80 Gals Red Dyed Diesel Fuel	0272625-IN	6,166.91
	DOWNS ENERGY	\$	6,166.91
ACH	STAFFING NETWORK LLC		
	Garcia, Y-W/E 12/4/20 24 Hours	95820697	720.00
	STAFFING NETWORK LLC	\$	720.00

Check	Payee / Description		Amount
ACH	EGGLETON TRUCKING INC 11/2020-12/2020 Compost Hauling	1577	4,504.50
	EGGLETON TRUCKING INC	\$	4,504.50
ACH	VIRAMONTES EXPRESS INC 11/2020 Compost Hauling	120336	1,204.07
	VIRAMONTES EXPRESS INC	\$	1,204.07
ACH	AMAZON BUSINESS Carbon Monoxide Sensor,Gas Detector Batt 1HKD-HJ9X-GPN		440.70
	AMAZON BUSINESS	\$	440.70
ACH	MSA SAFETY SALES LLC Oxygen Sensor Kit A-TOX-PCB	961359656 961410084	655.21 1,184.51
	MSA SAFETY SALES LLC	\$	1,839.72
ACH	NEXT STAGE ENGINEERING & CONST RA17007-11/20 Pay Est 13	PE 13-RA17007	26,847.00
	NEXT STAGE ENGINEERING & CONST	\$	26,847.00
ACH	KONICA MINOLTA BUSINESS SOLUTI 10/27/20-11/26/20 Maintenance Agreement	9007314705	25.00
	KONICA MINOLTA BUSINESS SOLUTI	\$	25.00
ACH	MCMASTER-CARR SUPPLY CO Lockout Padlock,Lockout Box,Lockout Hasp	49194272	295.61
	MCMASTER-CARR SUPPLY CO	\$	295.61
ACH	R & S INDUSTRIAL FIELD SERVICE Install New Head Pulley	3025	11,850.00
	Install New Belt on Recv BC9	3026	18,606.92
	Replace Grating on BC23 With SS Planks	3028	36,616.00
	Install New SS Handrails on Scrn BC22	3027	11,081.00
	R & S INDUSTRIAL FIELD SERVICE	\$	78,153.92
ACH	EGGLETON TRUCKING INC 12/2020 Compost Hauling	1588	1,081.08
	12/2020 Compost Hauling	1589	445.50
	12/2020 Compost Hauling	1590	445.50
	12/2020 Compost Hauling	1591	997.92
	EGGLETON TRUCKING INC	\$	2,970.00
ACH	VIRAMONTES EXPRESS INC 11/2020 Compost Hauling	120380	3,051.89
	VIRAMONTES EXPRESS INC	\$	3,051.89
ACH	AMAZON BUSINESS 3 Plexiglass Sneeze Guards	1TCW-9GWT-P7F	490.23

Check	Payee / Description		Amount
	AMAZON BUSINESS	\$	490.23
ACH	SOLAR STAR CALIFORNIA VI LLC 11/20 Solar 12811 Sixth St	E02M0612-4068	15,020.03
	SOLAR STAR CALIFORNIA VI LLC	\$	15,020.03
ACH	Inland Empire Utilities Agency 10/2020 O&M Expenses 10/2020 L&B Expenses	SAP1020-RCAO& SAP1020-RCAL&	262,431.43 360,852.40
	Inland Empire Utilities Agency\$		623,283.83
ACH	INLAND EMPIRE UTILITIES AGENCY 10/20 NRW Charges 9/20 NRW Charges 7/20-9/20 Chemical Oxygen Demand Charges 11/2020 Bldg Lease Pymt	90027900 90027675 90027835 90028003	2,821.76 2,875.24 2,292.12 6,635.74
	INLAND EMPIRE UTILITIES AGENCY\$		14,624.86
ACH	CITY RENTALS INC Compressor, Air Hose Rental	82779	520.70
	CITY RENTALS INC	\$	520.70
ACH	COUNTY SANITATION DISTRICTS OF 10/2020 Construction Inspection,Health,S 29803		1,990.14
	COUNTY SANITATION DISTRICTS OF\$		1,990.14
ACH	PATTON SALES CORP Square Tubing, Flat, Tie Downs Round Tube	4109692 4109708	269.83 51.91
	PATTON SALES CORP	\$	321.74
ACH	GRAINGER INC Compact Air Curtain, Leather Gloves	9733682968	857.98
	GRAINGER INC	\$	857.98
ACH	BERNELL HYDRAULICS Pipe Coupling Grommets	0394362-IN 0394364-IN	41.82 17.62
	BERNELL HYDRAULICS	\$	59.44
ACH	KONICA MINOLTA BUSINESS SOLUTI 11/1/20-11/30/20 Maintenance Agreement	9007328633	204.11
	KONICA MINOLTA BUSINESS SOLUTI\$		204.11
ACH	MCMASTER-CARR SUPPLY CO 4 Gallons Distilled Water Battery Wire, Battery Terminal Connector,	49408580 49407040	40.05 565.50
	MCMASTER-CARR SUPPLY CO	\$	605.55

Check	Payee / Description	Amount
ACH	DOWNS ENERGY 2,059.50 Gals Red Dyed Diesel Fuel 0273134-IN	4,522.54
	DOWNS ENERGY \$	4,522.54
ACH	TRICO CORPORATION 11/2020 Oil Analysis P57146	591.00
	10/2020 Oil Analysis P57144	57.00
	11/2020 Oil Analysis P57145	192.00
	TRICO CORPORATION \$	840.00
ACH	PRIORITY BUILDING SERVICES LLC 11/20 Janitorial Service Fee 72790	1,107.61
	PRIORITY BUILDING SERVICES LLC\$	1,107.61
ACH	VIRAMONTES EXPRESS INC 11/2020-12/2020 Compost Hauling 120506	2,529.60
	VIRAMONTES EXPRESS INC \$	2,529.60
ACH	AMAZON BUSINESS Zest Bar Soap 1973-7T4D-JJP	112.00
	2 Q-SRS PRO DRV/DWN DF 1VYV-JQ4R-PDF	1,357.62
	AMAZON BUSINESS \$	1,469.62
Wire	STATE BOARD OF EQUALIZATION 7/1/20-9/30/20 State Sales/Use Tax-3rd Q 101-112048 9/	1,091.00
	STATE BOARD OF EQUALIZATION \$	1,091.00

Grand Total Payment Amount: \$ 2,727,334.63

**ACTION
ITEM**

3A



Date: February 1, 2021

To: Honorable Board of Directors

From: Jeff Ziegenbein *JZ 836*
Project Manager

Subject: Appointment of Assistant Project Manager of the Inland Empire Regional Composting Authority

RECOMMENDATION

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

BACKGROUND

In late 2020, IERCA Assistant Project Manager Ann Heil retired from the Los Angeles County Sanitation Districts. As stated in the Joint Powers Authority (JPA) Agreement, the positions of Project Manager and Assistant Project Manager shall be filled with one staff member of the Agency and one staff member of the Districts. The Districts has selected Mike Sullivan to be considered as Assistant Project Manager of the IERCA.

Mr. Sullivan was previously involved with the IERCA serving as Assistant Project Manager from its inception through 2015. He's been with the Districts since 1989 and serves as Assistant Department Head of the Technical Services Department.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

None.

**ACTION
ITEM**

3B



Date: February 1, 2021

To: Honorable Board of Directors

From: Christina Valencia *CV#649*
Treasurer

Subject: Annual Financial Report for the Fiscal Year Ended June 30, 2020

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Inland Empire Regional Composting Authority (IERCA/Authority) Annual Financial Report for the Fiscal Year ended June 30, 2020, as presented; and
2. Direct staff to distribute the report as appropriate, to the various federal, state and local agencies, financial institutions, and other interested parties.

BACKGROUND

The Authority's Annual Financial Report for the fiscal year ended June 30, 2020 was prepared in conformity with generally accepted accounting principles in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB). As required by state law, Lance, Soll & Lunghard, LLP (LSL), the Authority's independent audit firm, performed the annual financial audit. LSL issued an unmodified ("clean") opinion indicating the financial statements are presented fairly and free of material misstatements. LSL found no material deficiency in internal controls over financial reporting. A review was also conducted by Internal Audit department of the Inland Empire Utilities Agency. A copy of their report is attached.

FY 2019/20 Financial Highlights

Total revenue in FY 2019/20 reflects a slight increase from \$9.10 million to \$9.12 million reported in the prior fiscal year.

Total expenses of \$11.80 million reported an increase of \$0.80 million compared to last fiscal year primarily due to higher operating expenses of \$0.76 million, depreciation of \$0.02 million, and increase in the non-operating expenses of \$0.02 million.

The total ending net position decreased by \$2.7 million to \$82.5 million as of June 30, 2020, of which approximately \$79.4 million has been invested in capital assets. The remaining \$3.1 million is working capital to support fund balances designated for operating contingencies, self-insurance liability costs, and capital replacement and construction investment. No call was made against the \$1,000,000 capital call budgeted in FY 2019/20.

PRIOR BOARD ACTION

The Board approved the IERCA Financial Statements for FY 2018/19 in February 2020

The Board approved the IERCA Budget for FY 2019/20 in May 2020.

IMPACT ON BUDGET

None.



**ANNUAL FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2020**

FEBRUARY 1, 2021

FY 2019/20 Highlights



- Tipping fee remained unchanged to \$56/ton
- \$21k increase in total revenues due to an increase in biosolids recycling and a slight increase in non-operating income
- \$875K increase in total expenses primarily due to higher operating material and supplies, and depreciation expense
- Staffing level maintained at 25 full time (FT) positions
- No capital call needed to support capital projects



FY 2019/20 Statement of Revenue, Expense, and Change in Net Position

(\$ Millions)	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2020	Change %
Total Revenue	\$9.1	\$9.1	0%
Total Expenses ⁽¹⁾	(11.0)	(11.8)	8.0%
Change in Net Position	(\$1.9)	(\$2.7)	45.5%
Beginning Net Position, July 1	\$87.1	\$85.2	(6.9%)
Ending Net Position, June 30	\$85.2	\$82.5	(3.2%)

⁽¹⁾Includes annual depreciation expense of \$3.1M.



FY 2019/20

Statement of Net Position

(\$ Millions)	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2020	Change %
Assets			
Current Assets	\$5.8	\$5.2	(10.5%)
Net Capital & Intangible Assets	81.3	79.4	(2.4%)
Total Assets	\$87.1	\$84.6	(2.9%)
Liabilities & Net Position			
Current Liabilities	\$1.9	\$2.1	9.2%
Invested in Capital Assets	\$81.2	\$79.3	(2.4%)
Unrestricted	3.9	3.1	(20.3%)
Total Liabilities and Net Position	\$87.0	\$84.5	(3.2%)

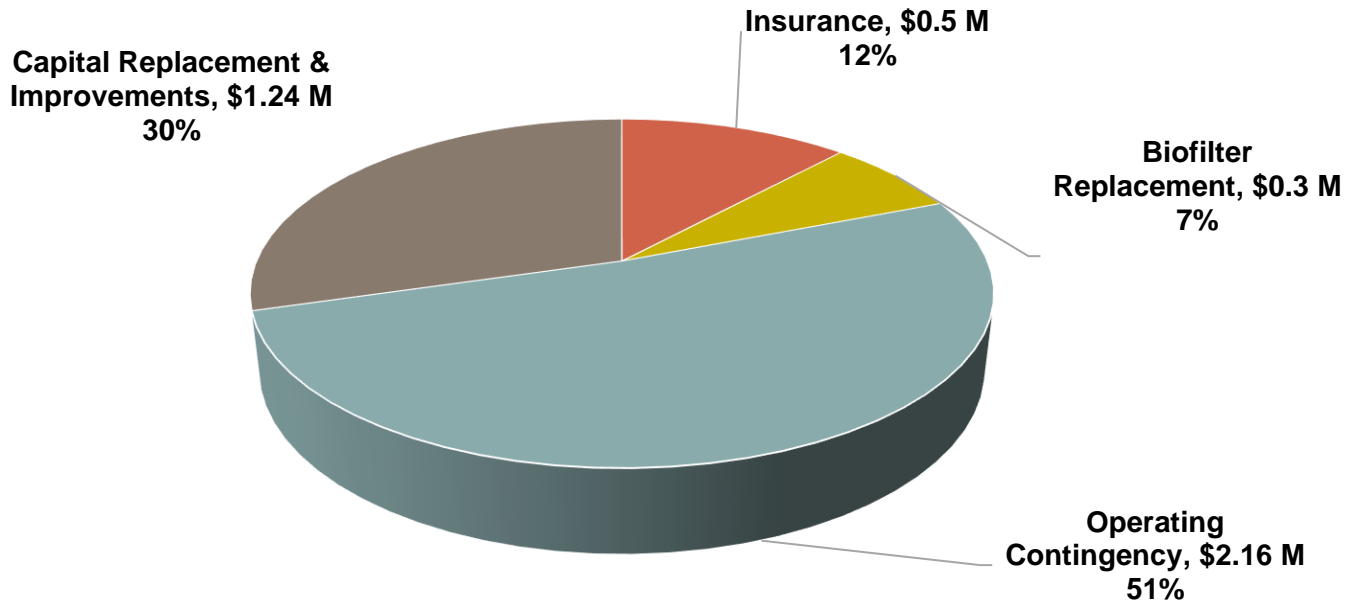


FY 2019/20 Ending Cash Position

\$4.20 Million



- \$0.42 million decrease from prior fiscal year





FY 2020/21 Mid-Year Statement of Revenue, Expenses, and Change in Fund Balance

(\$Millions)	FY 2020/21 Amended Budget	FY 2020/21 Actual As of 12/31/20	YTD Budget Used
Revenue ⁽¹⁾	\$9.3	\$4.5	48%
Expenses	8.2	4.6	56%
Capital	2.3	0.6	26%
Net Profit (Loss)	(\$1.2)	(\$0.7)	

(1) Includes \$500,000 capital contribution exercised in November 2020.



QUESTIONS?

ANNUAL FINANCIAL REPORT



Fiscal Year Ended June 30, 2020
Rancho Cucamonga, CA

2020

A regional, cost-effective approach to sustainable organics management.

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2020

Prepared by
Inland Empire Utilities Agency
Finance and Accounting Department

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

12645 Sixth Street
Rancho Cucamonga, CA 91739

P.O. Box 2470
Chino Hills, CA 91709

Telephone: 909.993.1500
FAX: 909.993.1510
www.ierca.org

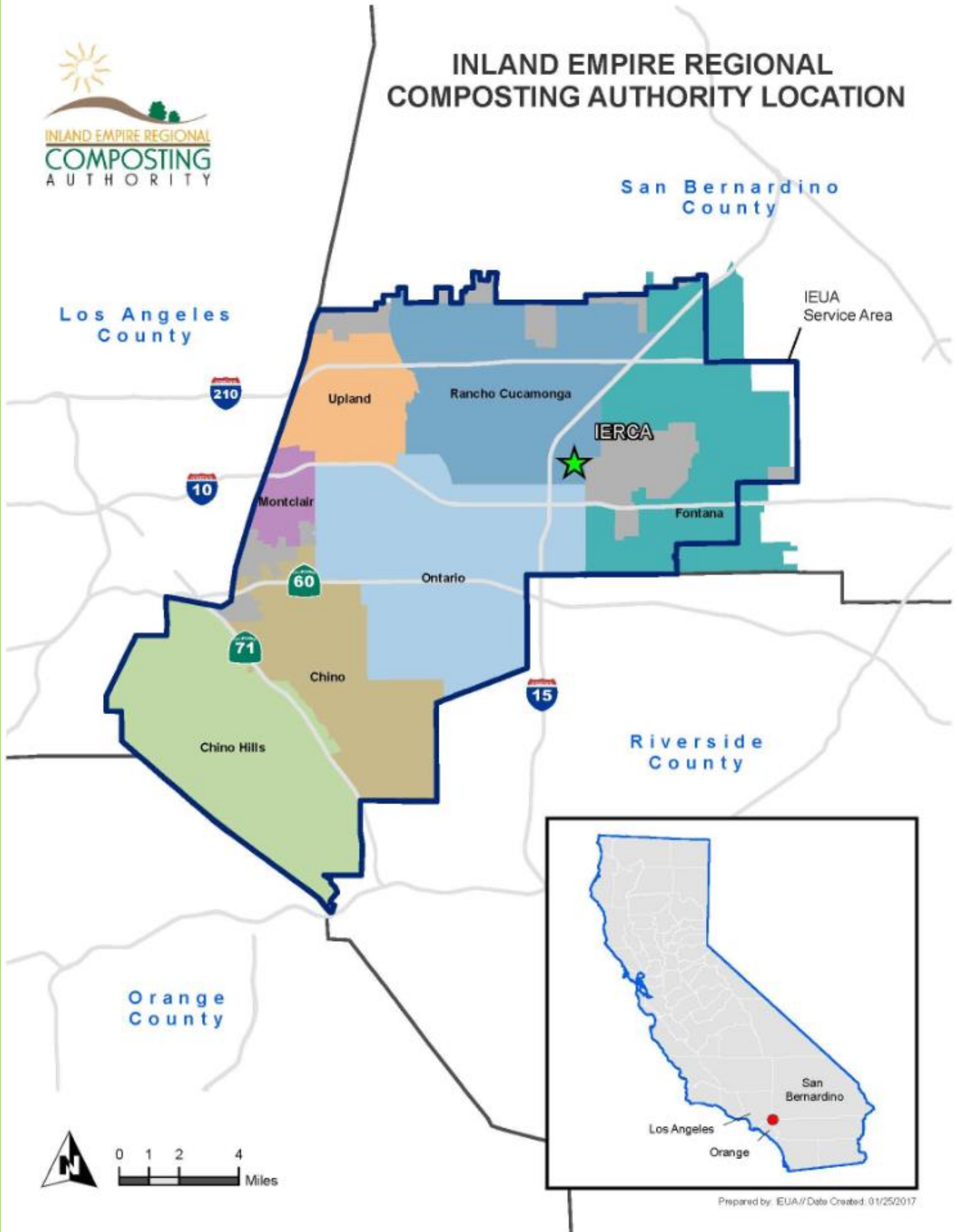
INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY LOCATION





12645 6th Street, Rancho Cucamonga, CA 91739
PO Box 2470 Chino Hills, CA 91709
Phone: (909) 993-1500 Fax: (909) 993-1510
www.ierca.org

Quality Products for Healthy Soil

February 01, 2021

To the Chairperson of the Inland Empire Regional Composting Authority Board, Members of the Board, and Joint Powers Authority members of the Inland Empire Regional Composting Authority.

The Annual Financial Report of the Inland Empire Regional Composting Authority (IERCA or the Authority) is hereby submitted for the Fiscal Year ended June 30, 2020. State and local ordinances and statutes require the Authority to annually publish a report of its financial condition and activities, audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Accounting principles generally accepted in the United States of America requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Management Responsibility for Financial Information

The Finance and Accounting Department of Inland Empire Utilities Agency (IEUA) prepared this report. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Authority's and IEUA's management. To the best of management's knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. Disclosures are presented to enable the reader to gain an understanding of the Authority's financial activities.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE

Up to the Present

The IERCA was formed February 27, 2002 as a Joint Powers Authority (JPA) to divert organic solids from landfill disposal and to recycle organic products generated from within the community. IEUA and Los Angeles County Sanitation Districts (LACSD) entered into the JPA to implement the shared goal to develop a sustainable biosolids management project.

The Authority is governed by a six-member Board, comprised of two governing board members from each JPA member agency and their respective General Manager. The Executive Manager of Finance & Administration/Assistant General Manager of IEUA serves as the Treasurer of the Authority.

In March 2007, the two joint powers agencies completed construction of the Inland Empire Regional Composting Facility (IERCF). As the nation's largest indoor biosolids composting facility, it consists of 445,275 square feet. The IERCA focuses on producing top quality compost under the guidelines outlined in the US Composting Council's Seal of Testing Assurance (STA) program.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY PROFILE (continued):

Up to the Present (continued):

Operations at the facility began in April 2007, it reached full capacity in December 2008. At full capacity, the IERCF receives and processes over 200,000 wet tons of biosolids and wood waste from local communities and produces approximately 232,000 cubic yards (81,000 tons) of high-quality compost each year.

The facility is staffed by twenty-five full-time IEUA employees, and one part time employee from LACSD. The employees are onsite Monday through Friday, and conduct all operational activities including production, maintenance, safety and industrial hygiene training, sales and administration.



The IERCA produces compost using the aerated static pile (ASP) composting method by mixing together organic material in large piles instead of in traditional windrows. Aeration occurs as air is pushed or pulled through the ASP. IERCF pulls air directly from the piles and sends the air to a biofilter along with air exchange through the composting building. The biofilter is 50,000 cubic yards of a special blend of wood chips that treats all of the air by removing odors and other regulated compounds before it is exhausted to the atmosphere.

IERCA Composting Facility

The entire composting process at the IERCF takes approximately 60 days. Active composting lasts approximately 22 days before the pile is moved into curing. The material is stabilized in curing for 30 to 38 days. After curing, the compost is screened and is then ready for distribution and use.

The composted product, which is marketed as SoilPro Premium Compost, has been sold as a soil conditioner which helps improve water retention resulting in better plant growth and water savings. Compost products are also proven to produce direct benefits to soils and crops in both horticulture (lawns and gardens) and agriculture (vegetables, fruits, nuts, and hay crops).

In order to produce recycled products year-round, the IERCA completed the compost storage facility in 2010 to allow compost storage during the winter season.

Additionally, the Authority entered into two separate agreements to host nearly 10,000 solar panels located on the roof of the facility which provides up to 2.5 megawatts of renewable energy. The system is paired with a shared battery storage system located at IEUA's Regional Water Recycling Plant No. 4. The entire system can provide all the energy required during peak operating hours.



MAJOR INITIATIVES and ACCOMPLISHMENTS

During the fiscal year ended June 30, 2020, the IERCF surpassed 2.8 million cubic yards of compost produced and sold from the facility. There are over 100 active customers who purchase SoilPro products for a variety of applications each year.

There were no changes to the tiered pricing system as the market has remained stable. Tiered pricing offers incentives to customers who purchase large volumes of compost in exchange for pricing discounts. The tiered compost pricing structure is shown in Table 1.

Table 1:

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

Major Initiatives for FY 2020/2021

In fiscal year 2020/2021, an energy metering system will be evaluated for installation to assist in improved energy tracking and conservation opportunities. Sales staff are reviewing opportunities to increase revenue from compost sales through the development of specialty products.

Major Accomplishments for FY 2019/2020

- Completed a facility beautification project painting all buildings and resurfacing the asphalt.
- Kicked off wash pad cover project to improve maintenance safety and efficiency.
- Recognized by two organizations for excellence in engineering.
- Maintained perfect environmental compliance.
- Met all budgeted targets.



IERCA Main Office

FINANCIAL INFORMATION

Internal Controls

The Management of the Authority is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Authority are protected from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America.

The internal control structure is designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatement and that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not outweigh the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Budgetary Controls

The Authority maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annually appropriated budget approved by the Authority's Board of Directors. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is set at the category level (i.e., Capital and Operating) within the Authority. The Authority maintains an encumbrance accounting system as an additional method of maintaining budgetary control. Encumbered amounts lapse at year-end. However, outstanding encumbrances are generally re-appropriated as part of the following fiscal year's budget following Board approval.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Authority's Board of Directors appointed the firm of Lance, Soll & Lunghard, LLP to perform the annual audit. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2020 are free of any material misstatement. As part of the independent audit, reviews on a test basis were made to determine the adequacy of internal controls, and to ensure compliance with applicable laws and regulations related to all financial activities conducted by the Authority. Generally accepted auditing standards, issued by the Controller General of the United States of America, were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report.

The independent audit concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the Inland Empire Regional Composting Authority's financial statements for the year ended June 30, 2020 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

FINANCIAL INFORMATION (continued):

Cash and Investment Management

The Authority has a comprehensive cash and investment program subject to California Government Code Sections 53601, 53607, 53635, 53638, 53646, 53652, and 53653. These regulations are incorporated into the Authority's (Investment Policy), which identifies the types of investments that are authorized and indicates any restrictions.

Consistent with Government Code Section 53646, the Authority annually adopts the Investment Policy that requires the IERCA 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 Authority; and (iii) the highest investment return while conforming to all statutes governing the investment of Authority funds within the constraints of the investment policy. By adoption of the policy, it is the intent of the Authority to minimize credit and market risks, while maintaining a competitive yield on its overall portfolio.

The Authority's cash management system is also designed to forecast revenues and expenses, and to invest idle funds to the fullest extent possible. During the Fiscal Year ended June 30, 2020, idle funds were invested in accordance with this policy. These investments consisted primarily of deposits in a pooled investment fund administered by the Los Angeles County Investment Officer.

In order of priority, the Authority's objectives when investing, reinvesting, purchasing, acquiring, selling, enhancing and managing public funds are as follows:

1. **Safety:** *Safety of principal is the foremost objective of the investment program. Investments made by the Authority 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.*

2. **Liquidity:** *The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements that might be reasonably anticipated.*

3. **Return on Investments:** *The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio. Return on investment is of secondary importance compared to safety and liquidity objectives described above. The core investment is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:*

- A. *A security with declining credit may be sold to minimize loss of principal.*
- B. *A security swap that would improve quality, yield, or target duration in the portfolio.*
- C. *Liquidity needs of the portfolio that require the security to be sold.*

February 01, 2021
To the Chairperson and Members of
The Board of The Inland Empire Regional Composting Authority

FINANCIAL INFORMATION (continued):

Cash and Investment Management (continued):

All cash and investment transactions are conducted in accordance with the Authority's resolutions and Investment Policy. While management recognizes that investment risks may result from issuer defaults, market price changes or various technical complications leading to temporary liquidity, portfolio diversification is employed as a way to minimize these risks.

Acknowledgements

We acknowledge the thorough and professional manner in which the external auditors, Lance, Soll & Lunghard, LLP, conducted the audit. Additionally, we would like to acknowledge the staffs from the member agencies of the Authority for their cooperation and contribution in providing the necessary information to complete this report.

Respectfully submitted,

Christina Valencia

Christina Valencia, Treasurer

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Principal Officials

June 30, 2020

BOARD OF DIRECTORS

Jon Blickenstaff, *Chairperson*
Michael Camacho, *Vice-Chairperson*
Shivaji Deshmukh, *Director*
Robert Ferrant, *Director*
Margaret Finlay, *Director*
Paul Hofer, *Director*

OFFICERS OF THE AUTHORITY

Jeffrey Ziegenbein, *Project Manager*
Ann Heil, *Assistant Project Manager*
Christina Valencia, *Treasurer*

LEGAL COUNSEL

JC Law Firm
Jean Cihigoyenetche, APC
Chino Hills, California

Inland Empire Regional Composting Authority

Organizational Chart

June 30, 2020

Board Members

Los Angeles County Sanitation Districts
and
Inland Empire Utilities Agency

PROJECT MANAGER
Jeffrey Ziegenbein
(IEUA)

***ASSISTANT
PROJECT MANAGER***
Ann Heil
(LACSD)

SECRETARY
IERCA Board Secretary
April Woodruff

TREASURER
Christina Valencia

**International Compost
Awareness Week
May 2 - 8, 2021**



**Grow, Eat...
COMPOST...Repeat**



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Inland Empire Regional Composting Authority
Rancho Cucamonga, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Inland Empire Regional Composting Authority, (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Inland Empire Regional Composting Authority, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.





To the Board of Directors
Inland Empire Regional Composting Authority
Rancho Cucamonga, California

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2019, from which such partial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section is presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Solt & Loughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
January 19, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended June 30, 2020. Readers are encouraged to read this section in conjunction with the transmittal letter and the accompanying basic financial statements.

The Authority's Operations – an Overview

As a Joint Powers Authority, the Inland Empire Regional Composting Authority (IERCA or the Authority) owns a composting facility on approximately 22 acres of land in Rancho Cucamonga. The property is ideally situated in an industrial area adjacent to Regional Water Recycling Plant No. 4 (RP-4), a wastewater recycling treatment plant owned and operated by Inland Empire Utilities Agency (IEUA). The proximity of the facility to RP-4 provides opportunities to optimize staffing options and energy usage.



Living wall at IERCA headquarters

The 445,275-square foot composting facility is a fully enclosed biosolids processing plant that processed approximately 147,606 tons of biosolids and 42,068 tons of wood and green waste into 232,294 cubic yards (81,103 tons) of high-quality compost during the fiscal year.

The facility utilizes aerated static pile composting technology to process a mixture of biosolids, greenwaste and woodwaste to generate Class 'A' Exceptional Quality compost for use in local agriculture and horticulture markets. All of the facility's emissions are treated with a biofilter to meet air quality requirements. In FY 2019/2020, a total of 189,674 tons of feedstock, equal to 91% permitted capacity, was received by the facility.

As of June 30, 2020, the IERCA had sold 2.78 million cubic yards of high-quality compost to various customers in Southern California, Arizona, and Nevada and processed nearly 2.45 million tons of recycled materials.

For comparison, 2.78 million cubic yards can:

- ☀ Fill the Roman Colosseum to the top 1.6 times
- ☀ Load 54,000 semi-trucks
- ☀ Increase soil health and water retention for 89,089 football fields

The Authority's Operations – an Overview (continued):

Throughout the last twelfth years of operation, the Inland Empire Regional Composting Facility (IERCF) has operated continuously in full compliance with applicable permits, rules and regulations, and has maintained an excellent safety record.

In the 2019/2020 fiscal year, IERCF projects improved compost quality, production efficiency and worker safety. Major projects include:

- Facility beautification project – Repainted the compost facility and support buildings and resurfaced the site asphalt.
- Initiated wash pad cover project to improve safety and working conditions on the pad.
- Trommel Screen Replacement project completion– commission of a new trommel screen to increase uptime and minimize preventive and corrective maintenance.

Future Goals

The project team will continue to focus on compost market expansion by working with local jurisdictions including IEUA member agencies to help them meet state required procurement targets by purchasing and using compost.

The project team also intends to increase the revenue generated from compost sales by expanding the volume of higher-valued specialty products including SoilPro bagged compost.

Basic Financial Statements

The basic financial statements present a summary of the Authority's financial position as of June 30, 2020. The Authority uses full accrual accounting, which recognizes transactions when they occur, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position for the fiscal year ended June 30, 2020 reflects the twelfth year of operations for the IERCF. Total operating revenues were \$8,944,580, a 0.6% decrease from prior year of \$8,993,911, while total operating expenses increased to \$11,767,085, or a 7.4% increase compared to prior year total of \$10,957,101. The expenses included \$3,117,407 of depreciation and amortization expense on capitalized assets.

FINANCIAL HIGHLIGHTS

	FY2019/20	FY2018/19	Increase (Decrease) from FY2018/19	
Current assets	\$5,237,844	\$5,854,444	(616,600)	-10.53%
Capital & Intangible assets	79,342,860	81,277,808	(1,934,948)	-2.38%
Total Assets	84,580,704	87,132,252	(2,551,548)	-2.93%
Current liabilities	2,114,856	1,936,760	178,096	9.20%
Total Liabilities	2,114,856	1,936,760	178,096	9.20%
Net investment in capital assets	79,342,860	81,277,808	(1,934,948)	-2.38%
Unrestricted	3,122,989	3,917,684	(794,695)	-20.28%
Total net position	\$82,465,849	\$85,195,492	(\$2,729,643)	-3.20%
Operating revenues	\$8,944,580	\$8,993,911	(49,331)	-0.55%
Operating expenses	(11,767,085)	(10,957,101)	(809,984)	7.39%
Net operating income (loss)	(2,822,505)	(1,963,190)	(859,315)	43.77%
Other Non-operating revenues	178,799	108,494	70,305	64.80%
Other Non-operating expenses	(85,937)	(20,879)	(65,058)	311.60%
Net nonoperating revenues (expenses)	92,862	87,615	5,247	5.99%
Net income (loss) before capital contributions	(2,729,643)	(1,875,575)	(854,068)	45.54%
Total change in net position	(2,729,643)	(1,875,575)	(854,068)	45.54%
Total net position-beginning	85,195,492	87,071,067	(1,875,575)	-2.15%
Total net position- ending	\$82,465,849	\$85,195,492	(\$2,729,643)	-3.20%

Changes in Financial Conditions of the Authority

- The net decrease of \$616,600 in current assets includes a decrease of \$424,068 in cash and investments, a decrease of \$279,167 in customer receivables, a decrease of \$8.981 in accrued interest receivable, and an increase of \$95,616 in inventory.

FINANCIAL HIGHLIGHTS (continued):

Changes in Financial Conditions of the Authority (continued):

- The decrease in Capital and Intangible assets of \$1,934,948 is primarily due to an increase of \$3,117,407 in accumulated depreciation and amortization, partially offset by an increase of \$311,410 in Jobs in Progress and capital assets of \$871,049.
- The decrease of \$49,331 in operating revenues is primarily due to a decrease of \$197,529 in biosolids recycling tipping fee revenue, partially offset by an increase of \$148,198 in compost sales.
- The \$809,984 increase in operating expenses is mainly due to an increase of \$285,562 in contractual services, an increase of \$142,068 in insurance premium paid for commercial property, an increase of \$243,088 in professional services, an increase of \$42,838 in bio filter media, an increase of \$36,137 in equipment purchase and rental, and an increase of \$37,822 in electricity usage.

Depreciation is the expiration of the service life of capital assets attributable to wear and tear, deterioration, and obsolescence. Depreciation expense is the cost of a capital asset prorated over the service life of the asset and each period is charged with a portion of the cost.

Amortization is the gradual reduction, redemption, or liquidation of intangible capital assets over the service life of the asset. Amortization expense is the cost of a capital intangible asset prorated over the service life of the asset and each period is charged with a portion of the cost. IERCF currently has two intangible assets, emission reduction credits and software licenses.

The contributed capital from LACSD and IEUA was \$83,364,402 equally split between the partners. Additionally, the JPA partners contributed a total of \$15,116,229 for the original property, which resulted in a total contribution of \$98,480,631. In FY 2019/2020, each JPA member was charged \$56 per ton tipping fee for bio-solids deliveries. Orange County Sanitation Districts also delivered 7,163 tons of biosolids at a fee of \$58 per ton. The total net position at June 30, 2020 was \$82,465,849 compared to \$85,195,492 in FY 2018/2019.

Capital & Intangible Assets

On June 30, 2020, the Authority had total capital and intangible assets of \$79,342,860, net of depreciation and amortization. Jobs in progress of \$2,366,834 include the cost of all design and construction work, and rehabilitation and replacement (R & R) need to maintain and improve the facility. Please refer to Note #3 to the basic financial statements for additional information regarding capital asset balances.

FINANCIAL HIGHLIGHTS (continued):

Investment Summary

The Authority's investment portfolio is administered by the IEUA staff. The investment strategy continues to take a conservative approach consistent with the Authority's approved Investment Policy.

Interest earnings for FY 2019/2020 totaled \$62,576, for an average yield of 0.862%. The Authority's short-term investment fund balance for the fiscal year ended June 30, 2020 was \$4,196,103 comprised of \$1,246,212 in Sweep Investment Fund with Citizens Business Bank, \$274,199 in the Los Angeles County Pooled Surplus Investing Fund (LAC PSIF) and \$2,101,178 in the Local Agency Investment Agency Fund (LAIF). Please see Note #2 of the basic financial statements for additional information regarding investment balances.

Contacting the Authority's Financial Management

This financial report is prepared to provide the Authority's members, our citizens, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have questions about this report or need additional financial information, please contact the Inland Empire Utilities Agency, Finance and Accounting Department, P.O. Box 9020, Chino Hills, California, 91709.

**INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
BASIC FINANCIAL STATEMENTS
OVERVIEW**

Financial Statements

The following Basic Financial Statements, along with the Supplementary Notes to the Basic Financial Statements, present a summary of the Authority's financial position at June 30, 2020, and the results of operations and the cash flows of its proprietary fund type for the fiscal year then ended.

The Basic Financial Statements consist of:

- 1) Statement of Net Position – the statement denotes the increase/(decrease) of net position of the Authority.
- 2) Statement of Revenues, Expenses and Changes in Net Position – the statement shows all revenue and expense sources recorded for the period, and their effects on the net position of the Authority.
- 3) Statement of Cash Flows – the statement reflects the Authority's financial activities and their effect on cash. It also denotes the cash position of the Authority at the end of the fiscal period.
- 4) Notes to the Basic Financial Statements.

Inland Empire Regional Composting Authority
Statement of Net Position
June 30, 2020
(With Comparative Totals for June 30, 2019)

	Totals	
	2020	2019
ASSETS		
Current assets		
Cash & Investments (Note 2)	\$ 4,196,103	\$ 4,620,171
Accounts receivable	823,985	1,103,152
Interest receivable	8,016	16,998
Other receivables	939	939
Inventory	208,801	113,184
Total current assets	<u>5,237,844</u>	<u>5,854,444</u>
Noncurrent assets		
Land	4,285,096	4,285,096
Jobs in progress	2,366,834	2,055,425
Capital assets, net of accumulated depreciation	71,869,301	74,091,037
Intangible assets, net of accumulated amortization	821,629	846,250
Total capital assets	<u>79,342,860</u>	<u>81,277,808</u>
Total noncurrent assets	<u>79,342,860</u>	<u>81,277,808</u>
Total assets	<u>84,580,704</u>	<u>87,132,252</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,042,794	1,877,684
Accrued liabilities other	4,109	681
Retentions payable	67,953	58,395
Total current liabilities	<u>2,114,856</u>	<u>1,936,760</u>
Total liabilities	<u>2,114,856</u>	<u>1,936,760</u>
NET POSITION		
Net investment in capital assets	79,342,860	81,277,808
Unrestricted	3,122,989	3,917,684
Total net position	<u>\$ 82,465,849</u>	<u>\$ 85,195,492</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

	Totals	
	2020	2019
Operating revenues		
Biosolids Recycling Tipping Fees	\$ 8,345,998	\$ 8,543,527
Sale of compost	598,582	450,384
	<u>8,944,580</u>	<u>8,993,911</u>
Operating expenses		
Operations and maintenance	7,742,128	6,975,035
Administration and general	907,550	888,890
Depreciation and amortization	3,117,407	3,093,176
	<u>11,767,085</u>	<u>10,957,101</u>
Total operating expenses	<u>11,767,085</u>	<u>10,957,101</u>
Operating income (loss)	<u>(2,822,505)</u>	<u>(1,963,190)</u>
Nonoperating revenues (expenses)		
Interest income	121,553	104,525
Other nonoperating revenues	57,246	3,969
Other nonoperating expenses	(85,937)	(20,879)
	<u>92,862</u>	<u>87,615</u>
Net nonoperating revenues (expenses)	<u>92,862</u>	<u>87,615</u>
Income (loss) before capital contributions	<u>(2,729,643)</u>	<u>(1,875,575)</u>
Change in net position	(2,729,643)	(1,875,575)
Total net position - beginning	<u>85,195,492</u>	<u>87,071,067</u>
Total net position - ending	<u>\$ 82,465,849</u>	<u>\$ 85,195,492</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Cash Flows
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

	Totals	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$9,128,130	\$8,595,054
Cash payments to suppliers for goods and services	(4,275,752)	(3,747,788)
Cash payments for contract labor	(4,205,388)	(3,990,820)
	<u>646,990</u>	<u>856,446</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contract reimbursement from other (Other Non Op Rev)	57,246	3,969
Cash paid to others (Other Non Op Exp)	(85,937)	(20,879)
	<u>(28,691)</u>	<u>(16,910)</u>
Net cash provided by (used for) noncapital financing activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,182,459)	(2,166,878)
Changes in contractor deposits/retentions	9,557	58,394
	<u>(1,172,902)</u>	<u>(2,108,484)</u>
Net cash provided (used) by capital and related financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	130,535	91,020
	<u>130,535</u>	<u>91,020</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(424,068)	(1,177,927)
Cash and cash equivalents - beginning	4,620,171	5,798,098
Cash and cash equivalents - ending	<u>\$4,196,103</u>	<u>\$4,620,171</u>

The accompanying notes are an integral part of the basic financial statements

Inland Empire Regional Composting Authority
Statement of Cash Flows
Year Ended June 30, 2020
(With Comparative Totals for June 30, 2019)

	Totals	
	2020	2019
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED FOR (USED BY) OPERATING ACTIVITIES		
Operating income (loss)	(\$2,822,505)	(\$1,963,190)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation and amortization	3,117,407	3,093,176
(Increase) decrease in operating assets		
Accounts receivable	279,167	(290,772)
Other receivable	0	(804)
Inventory	(95,617)	(107,281)
Increase (decrease) in operating liabilities		
Accounts payable	165,110	125,738
Other accrued liabilities	3,428	(421)
	<u>\$646,990</u>	<u>\$856,446</u>
Net cash provided (used) by operating activities	<u>\$646,990</u>	<u>\$856,446</u>
RECONCILIATION OF CASH & CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash	\$574,514	\$545,664
Short-term investments	<u>3,621,589</u>	<u>4,074,507</u>
Total cash, short-term investments, and restricted cash	<u>\$4,196,103</u>	<u>\$4,620,171</u>

The accompanying notes are an integral part of the basic financial statements

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Index of Notes to the Basic Financial Statements

JUNE 30, 2020

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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

(1) Reporting Entity and Summary of Significant Accounting Policies:

Description of the Reporting Entity

The Inland Empire Regional Composting Authority, a Joint Powers Authority (JPA), was formed in February of 2002. The JPA consists of two partners, Inland Empire Utilities Agency (IEUA), a municipal water district in California, and Los Angeles County Sanitation Districts (LACSD), a special district organized and operating pursuant to the County Sanitation District Act, Health and Safety Code Section 4700, et seq. All capital contribution investments related to the JPA are shared equally by both partners. Beginning FY 2009/2010 the Authority implemented a cost of service rate (tipping fees) to support the operational costs. Tipping fees paid by each JPA partner are based on the tonnage of biosolids shipped to the facility for recycling. As defined by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the Authority as the primary government. The Authority has no legally separate component units that require blended or discrete presentation.

Subject to the limitations imposed by the Constitution of California, and pursuant to its charter, all powers of the Authority not defined are vested in a six-member Board of Directors. For the purposes of transacting business of the Board, a quorum shall consist of four of the six members of the Board, provided that there is a minimum of two Board members from each partner. The principal office of the Authority is established by resolution of the Board. The Authority has appointed a Secretary, a Treasurer and a Project Manager. The appointed officers come from the membership of the Authority.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as they relate to governmental units. The Authority applies all relevant GASB pronouncements.

Fund Accounting

The accounts of the Authority are organized on the basis of funds. All transactions are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses, as appropriate, the Authority's accounts for its activities in an "Enterprise Fund". An Enterprise Fund is grouped and presented in the financial statements as a "Proprietary Fund Type".

Proprietary Fund Types

A Proprietary Fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the statement of net position. Their reported fund equity (net position) is segregated into capital assets (net of related debt) and restricted and unrestricted net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Proprietary Fund Types (continued):

Enterprise Funds

An Enterprise Fund is used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation and amortization) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting

Basis of accounting refers to the timing when revenues and expenses are recognized in the accounts, and reported in the financial statements, regardless of the measurement focus applied. The Authority prepares its financial statements on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when liabilities are incurred regardless of when the related cash flows take place.

Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Operating and Non-Operating Revenues and Expenses

Operating revenues relate to revenue transactions generated as a direct result of the core business in which the Authority is engaged. These transactions can be repetitive in nature within the normal business cycle. Examples include biosolids recycling, compost delivery services, compost sales and the sale of renewable energy credits. Non-operating revenues are transactions incurred infrequently, during the course of the Authority's business. These types of transaction are generally not directly related to the general business of the Authority, such as 1) interest earnings; 2) gain on sales of assets; and 3) miscellaneous other revenues.

The Authority classifies expense types based upon the goods and/or services directly related to the operations of the Authority. Typically, operating expenses include such items as operations, maintenance, and administrative costs. In contrast, non-operating expenses are not directly related to the Authority's core operations, such as interest expense and the cost of financial services.

Budgetary Policy and Control

The Authority's Board approves each year's budget submitted by the Treasurer prior to the beginning of the new fiscal year. The Authority is not required to present budget comparisons; therefore budgetary data is not presented in the accompanying financial statements.

The Authority maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board. All appropriations which are not obligated, encumbered, or expended at the end of the fiscal year lapse at year-end, except for multi-year capital appropriations. Any encumbrance and commitments needed to support ongoing projects or activities are carried forward to the following fiscal year following Board approval.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Cash and Investments

Investments in short-term highly liquid debt instruments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Investments are carried at fair value.

For financial presentation purposes, cash and cash equivalents are shown within cash and short-term investments.

Receivables and Payables

All receivables are shown net of an allowance for uncollectible accounts. The Authority extends credit to customers in the normal course of operations. Management has evaluated the accounts and approved an allowance for uncollectible accounts of \$22,119 for the fiscal year ended at June 30, 2020. When an account is determined to be uncollectible, it is written off against the allowance following Board approval.

Capital Assets

Property, plant and equipment are stated at cost. The cost of a capital investment includes purchase, rehabilitation or construction costs, Authority labor for engineering, construction management and administrative activities, as well as ancillary expenses necessary to make productive use of the assets. Current capitalization thresholds are reflected in the following table:

Type of Expenditure	Total Cost	Estimated Life	Increases Estimated Life	Enhances Performance
Office Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Computer Equipment	≥ \$1,000	> 1 Year	N/A	N/A
Other Equipment	≥ \$5,000	> 1 Year	N/A	N/A
Single Year Capital Projects	≥ \$5,000	≥ 3 Years	N/A	N/A
Multi Year Capital Projects	≥ \$15,000	≥ 3 Years	N/A	N/A




The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized.

Improvements are capitalized and depreciated, as applicable, over the remaining useful life of the related capital assets. Donated capital assets are recorded at acquisition value.

(1) Reporting Entity and Summary of Significant Accounting Policies (continued):

Capital Assets (continued):

Depreciation and amortization of capital assets has been provided on a straight-line basis. One-half year depreciation and amortization are recorded in the year of acquisition and disposal.

Estimated useful lives are:	Ω Furniture, machinery and equipment	3 - 15 years
	 Improvements	15 years
	 Buildings and plants	5 - 50 years
	 Intangible Assets	3 - 50 years

Comparative Data

The basic financial statements include certain prior years summarized comparative information in total but not at the level of detail required for a presentation in accordance with Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with the Authority's financial statements for the year ended June 30, 2019 from which the summarized data was derived.

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority secures liability, boiler and machinery insurance to protect itself from any risk exposure, relative to its business operations. Since the Authority has no employees and the operations and management of its facility is contracted out to IEUA, worker's compensation insurance is carried by IEUA.

- ⊕ General and auto liability: The Authority retains the risk of loss for general liability, and errors and omissions claim of up to \$5,000,000 per person per occurrence coverage, subject to a \$10,000 deductible per occurrence.
- ⊕ IERCF is included in the Districts' excess liability policy which increases the coverage stated above to \$25M in total

In addition to the above, the Authority has the following insurance coverage:

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- ⊕ Property damage has an \$75,000,000 per occurrence coverage limit, subject to a \$100,000 deductible per occurrence.

Settled claims from the risks discussed herein have not exceeded commercial insurance coverage in any of the last three fiscal years ending June 30, 2020, 2019, and 2018.

(2) Cash and Investments

Cash Deposits

The Authority's cash accounts are maintained with financial institutions that provide deposit protection for the account balance through participation in the Federal Deposit Insurance Corporation (FDIC). The California Government Code (CGC§53652 and 53667) requires banks and savings and loan associations to secure local agency deposits by placing appropriate and adequate securities as collateral with an approved trustee.

For deposits in commercial banks, the California Government Code allows the Authority to waive the preceding requirement for that portion of each deposit insured pursuant to the FDIC regulations; with the remainder of the deposit being secured by collateral (U. S. Government Securities) with a market value of at least ten percent (10%) greater than that remaining amount. The Authority has chosen to enter into these agreements.

In addition, the Authority investment policy requires financial institutions to meet other minimum criteria. Financial institutions must: (a) have been in business for at least three years; have total assets in excess of ten (\$10) billion dollars; and a core capital/asset ratio of five percent (5%) or better; or, (b) have total assets in excess of five hundred million dollars (\$500,000,000); and a core capital/asset ratio of six percent (6%) or better. State statutes and the Authority's investment policy authorize the Authority to maintain cash deposits in demand accounts, savings accounts, and in certificates of deposit.

The custodial credit for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than as required for the California Government Code for deposits.

The investment in the Repurchase Agreement is uninsured with the collateral for the repurchase agreement held in the name of Citizens Business Bank but not in the name of the Authority.

The bank balance reflects the amount credited by a financial institution to the Authority's account as opposed to the Authority's own ledger balance for the account. The carrying value reflects the ledger balance, which includes checks written by the Authority that have not cleared the bank as of June 30, 2020.

Investments

In FY 2019/2020, the Authority invested in the Los Angeles County Pooled Surplus Investment Fund (LAC PSIF), which is also managed by Los Angeles County Investment Officer. The Authority invests in the Local Agency Investment Fund (LAIF), which is an investment pool managed by the Treasurer of the State of California. The Authority's investments are reported at amortized cost in the balance sheet. The market value of the Authority's investments constitutes one hundred percent (100%) of investments and equals the net realizable value of the Authority's share of LAIF and LAC PSIF. LAIF and LAC PSIF are authorized by California statutes to enter into investments on behalf of municipalities within California.

State statutes and the Authority's investment policy also allows the Authority to invest (short-term and long-term) in U.S. Treasury Obligations, U.S. agency issues and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Records, negotiable certificate of deposit, LAIF and medium-term notes.

(2) Cash and Investments (continued):

Cash and Investments

Cash and investments as of June 30, 2020 are classified in the accompanying financial statements as follows:

	<u>2020</u>	<u>2019</u>
Statement of Net Position:		
Cash & Investments	<u>\$4,196,103</u>	<u>\$4,620,171</u>
Total Cash and Investments	<u>\$4,196,103</u>	<u>\$4,620,171</u>

Investments Authorized by the California Governmental Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the Authority's investment policy. The table also identifies certain provisions of the Authority's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type³</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State Treasury Obligations	5 years	10%	None
Local Agency Obligations	5 years	None	None
Commercial Paper	270 days	20%	10%
Negotiable/Placement Certificates of Deposits	5 years	30%	None
Repurchase Agreements	90 days	40%	None
Medium-Term Notes	5 years	30%	None
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	\$75M	None
Local Agency Investment Pools	N/A	None	None
Bank Deposits	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

(2) Cash and Investments (continued):

Disclosures Relating to Interest Rate Risk (continued):

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investment by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (In Months)</u>	
	<u>Fair Value</u>	<u>12 or Less</u>
Los Angeles County Investment Pooled Investment Fund	\$ 274,199	\$ 274,199
Repurchase Agreement	1,246,212	1,246,212
Local Agency Investment Fund	<u>2,101,178</u>	<u>2,101,178</u>
Total	<u>\$ 3,621,589</u>	<u>\$ 3,621,589</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the Authority's investment policy, and the actual Standard and Poor's rating as of fiscal year ended June 30, 2020 for each investment type:

<u>Investment Type</u>	<u>Value</u>	<u>Minimum</u>	
		<u>Legal Rating</u>	<u>Unrated</u>
Los Angeles County Investment Pooled Investment Fund	\$ 274,199	N/A	\$ 274,199
Repurchase Agreement	1,246,212	N/A	1,246,212
Local Agency Investment Fund	<u>2,101,178</u>	N/A	<u>2,101,178</u>
Total	<u>\$ 3,621,589</u>		<u>\$ 3,621,589</u>

Fair Value Measurement (GASB 72)

The information below shows the Authority's investments fair value measurements (market approach) as of June 30, 2020. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions.

<u>Investments by Fair Value Level</u>	<u>June 30, 2020</u>	<u>Level 1 ^(A)</u>	<u>Level 2 ^(B)</u>	<u>Uncategorized</u>
Los Angeles County Investment Pooled Investment Fund	\$ 274,199		\$ 274,199	
Repurchase Agreement	1,246,212		1,246,212	
Local Agency Investment Fund	<u>2,101,178</u>			<u>2,101,178</u>
Total	<u>\$ 3,621,589</u>	<u>\$ -</u>	<u>\$ 1,520,411</u>	<u>\$ 2,101,178</u>

^(A) Level 1 - Quoted prices in active markets for identical assets

^(B) Level 2 - Quoted prices in active markets for significant other observable inputs

(3) Changes in Capital Assets

The following is a summary of capital assets, jobs in progress and intangible assets at June 30, 2020:

Capital assets	Balance at 6/30/2019	Additions	Transfers, Sales & Retirements	Balance at 6/30/2020
Capital assets, not being depreciated:				
Land	\$4,285,096	\$0	\$0	\$4,285,096
Jobs in progress	2,055,425	1,182,459	(871,049)	2,366,835
Total capital assets, not being depreciated	\$6,340,521	\$1,182,459	(\$871,049)	\$6,651,931
Capital assets, being depreciated:				
Facility	10,831,133	0	0	10,831,133
Structures & improvements	72,110,700	486,938	0	72,597,638
Operations equipment	17,946,890	384,111	0	18,331,001
Total capital assets, being depreciated	\$100,888,723	\$871,049	\$0	\$101,759,772
Less accumulated depreciation for:				
Facility	(2,491,162)	(216,623)	0	(2,707,785)
Structures & improvements	(16,210,666)	(1,484,285)	0	(17,694,950)
Operations equipment	(8,095,859)	(1,391,878)		(9,487,737)
Total accumulated depreciation	(\$26,797,686)	(\$3,092,786)	\$0	(\$29,890,472)
Total capital assets, being depreciated, net	\$74,091,037	(\$2,221,737)	\$0	\$71,869,300
Intangible assets, being amortized:				
Capacity rights	1,037,088	0	0	1,037,088
Total intangible assets, being amortized	\$1,037,088	\$0	\$0	\$1,037,088
Less accumulated amortization for:				
Capacity rights	(190,838)	(24,621)	0	(215,459)
Total accumulated amortization	(\$190,838)	(\$24,621)	\$0	(\$215,459)
Total capital assets, being amortized, net	\$846,250	(\$24,621)	\$0	\$821,629
Total capital assets, net	\$81,277,808	(\$1,063,899)	(\$871,049)	\$79,342,860

In FY 2019/20, the Authority added \$1,182,459 assets as Job in Progress, transferred \$871,049 to capital assets being depreciated, and increased Accumulated Depreciation and Amortization by \$3,117,407. The ending balance of Accumulated Depreciation and Amortization for all capital assets has been adjusted for rounding to the Statement of Net Position for FY 2019/2020.

(3) Changes in Capital Assets (continued):

Jobs in Progress

As of fiscal Year-end June 30, 2020, the Authority had seven capital modification and improvement projects and sub-projects in progress.

IERCF Trommel Screen Improvements	\$	1,447,551
IERCF Building Improvements		332,173
RCA Capital Replacement		193,596
RCA Exterior Paint		153,750
IERCF Belt Conveyor Improvements		137,166
IERCF Pug Mill Improvements		52,075
IERCF Transition Air Duct Improvements		45,576
Glulam Repair Project - Roof Repair		3,636
RCA Compost Storage Conveyor Project		1,311
Total Jobs in Progress	\$	2,366,835

(4) Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 1, 2021, the date financial statements were available to be issued, and found no subsequent event.



IERCF Team SoilPro



Damaged Glulam Repair Project

INLAND EMPIRE UTILITIES AGENCY

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2020

www.ierca.org

**ACTION
ITEM**

3C



Date: February 1, 2021

To: Honorable Board of Directors

From: Jeff Ziegenbein
Project Manager

Subject: On-Call Construction Service Contractors

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the awarding of Master Services 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
2. Authorize the Project Manager to finalize and execute the Contracts.

BACKGROUND

The Inland Empire Regional Composting Facility (IERCF) requires construction contractors to assist with a variety of plant maintenance requirements, small project activities, and emergency repair services. When internal labor is not available, or specialty services are required, a general contractor is needed to assist with tasks, projects, and repairs. The frequency of the need increases as the facility ages, prompting the need to enter into agreements with two or more service providers who can be directed to perform a variety of tasks on short notice and to serve on-call for emergency repairs. The contractors will allow the IERCF to have flexibility on service provider selection to ensure competitive pricing and prompt responses.

On November 4, 2020 staff issued a Request for Proposal RFP-RW-20-005 through the PlanetBids Network online solicitation system. Three (3) proposals were received from the following contractors: R&S Industrial Field Services (R&S), Innovative Construction Solutions (ICS), and Hemet Manufacturing, dba Genesis Construction.

An evaluation committee was assembled to review the proposals. The RFP listed preset wages and rental rates so no pricing comparisons were required. The proposals were reviewed to determine best qualified based on previous work experience, available equipment, and work history. Two of the proposers, R&S and Genesis, have previously done work at the IERCF and members of the

February 1, 2021

Page 2 of 2

evaluation team were familiar with their work. The remaining proposer, ICS, had not worked at the IERCF but listed references including LACSD. Interviews with ICS and the Project Manager at LACSD led the evaluation team to consider ICS to be a capable and willing contractor. The evaluation team unanimously agreed that R&S and ICS be selected as best choices to provide on call construction services for the IERCF.

Both contractors have extensive experience in construction services as well as credible references. They will be required to respond to job solicitations and will be selected on an ongoing basis based on their ability to:

- Respond in a timely manner
- Perform millwright work
- Perform welding activities
- Perform minor construction work including framing, drywall and concrete
- Perform minor maintenance work on conveyors, hoppers and heavy equipment
- Perform plumbing and piping installation and repair

After a thorough review of the responses staff determined that R&S Field Services and Innovative Construction Solutions were sufficiently qualified and therefore recommends awarding each of them a contract.

PRIOR BOARD ACTION

The IERCA Board of Directors approved the award of two contracts for on call minor construction services for a total of \$300,000 per year on November 7, 2016.

IMPACT ON BUDGET

There are sufficient funds in the approved FY 20/21 budget to cover the contract services.



MASTER SERVICES CONTRACT NUMBER: 4600002994

FOR PROVISION OF

MINOR CONSTRUCTION AND MAINTENANCE SERVICES

THIS CONTRACT (the "Contract"), is made and entered into this ____ day of _____, 2021, by and between the Inland Empire Regional Composting Authority, a Joint Powers Authority organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "Authority," "IERCA", and "IERCF"), and R & S Industrial Field Services Inc., with offices located in Victorville, California (hereinafter referred to as "Contractor"), in order to establish mutually acceptable terms and conditions which shall hold for and govern all "Task Order" releases subsequently issued under this Master Services Contract.

RECITALS

Whereas Authority anticipates future needs to retain the services of Contractor to provide minor construction and maintenance services on an "as needed" Task Order assignment basis;

Whereas Contractor is willing to undertake performance of such Task Order assignments for which the terms and conditions set forth herein shall apply;

THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereby agree as follows:

1. **ORDER OF PRECEDENCE:** The documents referenced below constitute the Agreement Documents and are each hereby incorporated herein. In the event of any conflicts or inconsistencies between any of the Contract Documents, the governing order of precedence shall be as follows:
 1. Amendments to Task Order releases under this Master Services Contract.
 2. Task Order releases under this Master Services Contract.
 3. Amendments to this Master Services Contract.
 4. Master Services Contract Number 4600002994, General Terms and Conditions.
 5. Authority's Request for Proposals Number RFP-RW-20-005, attached hereto and

made a part hereof as **Exhibit 1**.

6. Contractor's Proposal dated December 9, 2020, attached hereto and made a part hereof as **Exhibit 2**.

2. **SCOPE OF WORK AND SERVICES:** Contractor shall provide all labor, materials, tools, machinery, equipment, and other items and services necessary to properly perform any work (hereinafter referred to as the "Work") as set for in each individual on-call request or Task Order agreed to and released under this Master Services Contract, including exhibits and amendments hereto. The Work shall be carried out in accordance with the Contract Documents in a diligent and workman-like manner, utilizing qualified personnel and good and sufficient materials and equipment. Subject equipment shall be covered by a signed copy of Authority's "Waiver / Release of Liability" form (previously submitted as part of **Exhibit 2**). Further, Contractor shall perform only those work assignments authorized by on-call requests or Task Orders issued in conjunction with this Contract, or as otherwise directed by the IERCF Project Manager for completion of emergency projects, prior to Task Order completion.

Ordering Provisions and Understandings:

Negotiation of Task Orders: Authority and Contractor each reserve and retain the right to negotiate the Work, price, and term of any specific on-call request or Task Order. However, both parties agree that the various proposed labor and expense rates used to develop each Task Order's price shall be consistent with those specified referencing the **Exhibit A** Reimbursement Schedule.

Task Order Price: The price for each Task Order shall be addressed and authorized via the content of each specific Task Order.

Task Order Format: Each Task Order issued under this Master Services Contract shall be of similar form to the Example Task Order that is included herein as **Exhibit B** – Sample Task Order.

Task Order On-call Maintenance Protocol:

If/when an emergency arises, the IERCF Project Manager or a designated staff member shall email out a request of availability, to all contractors on the On-Call Maintenance and Minor Construction Services Contract, identifying the emergency situation and request whether the contractor is able to respond within the time period indicated. The contractor shall provide a response which includes the **original email subject line request name or respond to the original e-mail request on whether they are able to respond or not, for record keeping purposes.** The Contractor shall indicate in the response the Subject date and time they are available to meet. Failure to place subject line from request in response and date and time Contractor is available to meet will result in Authority responding to next responsible/responding Contractor.

The IERCF Project Manager or a designated staff member shall identify contractor for

award of the emergency work and issue a verbal or emailed notice to proceed. The first contractor to respond and be available to meet shall be asked to provide a not-to-exceed cost for use in establishing a limit for the project. Contractor's rates for emergency work shall be based on the current Caltrans Equipment Rental Rates and the California Department of Labor's (DOL) Department of Industrial Relations (DIR) General Prevailing Wage Determination for the type of work being performed, or as negotiated between the contractor and Authority's Project Manager. Contractor shall complete Daily Reports and submit to Authority for approval on a daily basis.

If, or when, changes in work are identified, it shall be the responsibility of the contractor to submit a revised not-to-exceed cost, so that the Authority may obtain proper authorization for spending additional Authority monies. Failure to do so may result in the Authority declining to pay any cost above the not-to-exceed cost. Contractor must be within one and one-half (1.5) hours from the site. Failure to be able to meet within the time specified may lead to selection of the respondent who is best able to meet the Authority's immediate emergency request.

Failure to provide a response or to be available over a number of requests, may also lead to removal from the On-Call Maintenance and Minor Construction Services Contract, at the discretion of the Manager of Regional Compost Operations.

Subsequent to completion of emergency repair work, contractor shall submit a summary of all changes/expenses incurred in conjunction with the repair to the Authority's Project Manager or designated staff member for review and approval. All receipts must be attached along with required payroll information. Upon mutual agreement between the two parties as to the total costs incurred, Authority shall subsequently issue an "after-the-fact" written Task Order release to Contractor for signature and return, via DocuSign, to authorize the payment of the agreed-to-costs.

Any work that shall be needed to be performed off-site (e.g. permitting, engineering, fabrication or pick-up and transportation of materials) shall be authorized by the Authority prior to work occurring. It shall be the Contractor's responsibility to keep the Authority fully informed as to cost and need for off-site work so that time may be approved on the Daily Report.

The Authority reserves the right to dictate how work is to be performed and what equipment and manpower is required to complete said task.

TASK ORDER MAINTENANCE PROTOCOL

As each need for planned work arises, a Request for Proposal (RFP) shall be forwarded to all contractors (participating in the On-Call Maintenance and Minor Construction Services Contracts) for the purpose of obtaining a competitive bid/proposal. A mandatory job walk may be held as part of any solicitation. If the contractor desires to propose for the work, the contractor shall respond, within the requested number of working days from receipt of Authority's solicitation, not to be less than five (5) working days, with submittal of a price and or technical proposal (if applicable), to perform the requested service(s). This proposal shall be reviewed and, if selected by the Authority, negotiated as required to develop mutually-agreed-upon Task Order content and price. Each Task Order shall

designate a specific scope of work, schedule, firm-fixed or not-to-exceed compensation, and other specifications and terms particular to the work. Upon agreement and execution by both parties, the Task Order shall be released, and the Contractor may begin performance of the work provided for under the executed Task Order. Failure to execute a Task Order within a reasonable amount of time (e.g., 5 days) may be used as the basis of selecting the second-lowest cost/proposal, etcetera, until a Task Order can be executed.

If changes in scope are needed during the course of the work, a change order shall be negotiated. If no agreement on a change order can be agreed to, and force account is directed, provisions of **Exhibit A** would apply.

Failure to fulfill the terms or intent of the work may be used as a basis of terminating the Contractor from the On-Call Maintenance and Minor Construction Services Contract.

3. **TERM:** The term of this Contract shall extend from the date of the Project Manager's Notice to Proceed and terminate on December 31, 2022, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract. Authority reserves the right to extend five (5) optional one-year term extensions to this Contract, subject to mutual negotiation, not to exceed seven (7) years total from the date of award.
4. **SCHEDULE:** Contractor shall complete the Work specified by each Task Order in accordance with the schedule established within said Task Order. All Work shall be fully finished no later than the date specified in said Task Order, unless terminated sooner or extended as provided for therein.
5. **INVOICING, PAYMENT DISCOUNT & PAYMENT:** Contractor's invoices shall be based on Contractor's firm-fixed price bid for each specified Task Order, or time and expenses accrued for emergency work. Any subsequent field change orders shall have Contractor's bid approved in advance by Authority's IERCF Project Manager, reduced to writing by Construction Management's field change order, and signed by both parties. Emergency work shall be based on the Caltrans Equipment Rental Rates and the California Department of Industrial Relations General Prevailing Wage Determinations available at the time the work is authorized, as negotiated between the parties, and as per mark-ups noted in **Exhibit A**, and the not-to-exceed authorization.

Authority shall pay the full/approved invoice amount within thirty (30) days following receipt of the invoice. Payment shall be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Contractor's invoices shall include reference to the associated Task Order Number. All original invoices shall be submitted to APGroup@ieua.org.

6. **COMPENSATION AND CHANGES:** As compensation for the Work satisfactorily performed against Task Order releases under this Contract, Authority shall pay Contractor's firm-fixed price bid for each executed Task Order. Any additional Work or services shall be authorized in advance by Authority's Project Manager, reduced to writing by a Construction Management field change order, and signed by both parties. Emergency compensation

shall be based on the Caltrans Equipment Rental Rates and the California Department of Industrial Relations General Prevailing Wage Determinations available at the time the work is authorized, as negotiated between the parties.

Authority may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing via a Task Change Order issued by Authority and executed by both Parties. The Task Order Change Order shall, if warranted, convey any associated change to the established Task Order price and/or schedule.

7. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Task Order-specified Work Schedule. If performance of the Work falls behind schedule, Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule for consideration by the Project Manager.

8. FITNESS FOR DUTY:

A. Fitness: Contractor's personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Authority.
4. Confined Space Work:

I. Precautions and Programs:

a. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.

b. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Authority is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section

and it is established that there is a violation, the Contractor shall be subject to liquidated damages as provided in the Contract.

c. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

d. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

- 1) All employees on the work or work site and other persons and organizations who may be affected thereby;
- 2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and
- 3) All other property at the site.

e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

- 1) *Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157. This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:*
- 2) *A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.*

f. The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

9. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal &

advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Authority. At the option of the Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Authority, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Authority, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Authority, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Authority, its officers, officials, employees, volunteers, property owners or engineers under

contract with the Authority shall be excess of the Consultant's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Authority, its officers, officials, employees or volunteers.
 - d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.
2. Workers' Compensation and Employers Liability Coverage

The insurer hereby grants to Authority a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Authority by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Authority has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Authority.

- D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Consultant shall furnish the Authority with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Authority before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Regional Composting Authority
Attn: Insurance Manager
P.O. Box 2470
Chino Hills, California 91709

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of Authority.
- C. Observing Laws and Ordinances: Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, Authority, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Contractor or its employees.
- D. Subcontracted Services: Any subcontracts for the performance of any services under this Contract shall be subject to the prior written approval of the Project Manager.
- E. Grant-Funded Projects: Contractor shall be responsible to comply with all grant flow-down requirements related to any Task Order assignments. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Records Retention and Public Access to Records, and Compliance Review. If a Federally-funded project, or predecessor, Contract Task Order shall have separate, additional reporting accountability on the use of funds.
- Contractor shall inquire of the cognizant Project Manager for each Task Order issued if work is grant funded.
- F. No Guarantee of Work: Contractor understands that there is no guarantee of subsequent Task Order assignments given or implied by entering into this Master

Services Contract.

- G. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against Authority. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Consultant shall indemnify the Authority, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.

In addition to the above, Contractor will indemnify, defend, and hold Authority, its directors, employees, agents, and assigns harmless from all liabilities, losses, damages, claims, penalties, fines, costs, attorney's fees or other responsibilities incurred by the Authority (an "Indemnified Loss") as a result of the acts, errors or omissions, whether intentional, negligent or otherwise, of Contractor, its employees, and its subcontractors or consultants that result in claims against the Authority by Contractor's employees, subcontractors and/or consultants for employment-related claims including but not limited to claims for wages, benefits, insurances, employee misconduct, workplace hostile environment, wrongful termination, discrimination or retaliation.

Contractor will not be obligated to indemnify, defend or hold harmless Authority for any liabilities, losses, damages, claims, penalties, fines, costs, attorney's fees or other responsibilities incurred by the Authority(a "Non-Indemnified Loss") as a result of claims made by Contractor's employees, Contractors and/or contractors against Authority arising out of the negligent, intentional or reckless acts, errors or omissions of Authority and its employees.

- I. Conflict of Interest: No official of Authority who is authorized in such capacity and on behalf of Authority to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- J. Equal Opportunity: During the performance of this Contract, Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- K. Extra Work: If at any time during the Task Order assignment, Contractor receives a direction which Contractor feels is outside the Task Order's Scope of Work, Contractor shall immediately notify Authority's Project Manager and obtain written direction. The Contractor shall receive no extra compensation for extra work unless

Authority receives timely notification of Contractor's opinion that the work is outside of the contracted scope. If the nature of the direction is such that an investigation is required to determine if the work is outside Contractor's agreed upon scope, Contractor must notify Authority's Project Manager that the directed work appears to be outside the scope within fourteen (14) calendar days after receiving the direction from Authority personnel. If Authority does not receive a request for additional compensation within the fourteen (14) calendar days, Contractor shall not receive extra compensation for extra work performed. Extra work performed without authorization shall be at Contractor's sole cost.

L. Non-Conforming Work: Contractor represents that the Work and Documentation shall meet the standard of care of Contractor's profession. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Authority, correct any and all agreed-to errors in the Work or Documentation, regardless of whether any such errors are brought to the attention of Contractor by Authority, or any other person or entity. Contractor shall within three (3) calendar days, correct any error that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Contractor's receipt of notice of the error. Upon request of Authority, Contractor shall correct any such error deemed important by Authority in its sole discretion to Authority's continued use of the Work or Documentation within seven (7) calendar days after Contractor's receipt of notice of the error. If the IERCF Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Construction Manager, in writing, detailing the dispute and reason for Contractor's position. Any dispute that cannot be resolved between the IERCF Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

M. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. Contractor shall pursue the work to completion in accordance with the instruction of Authority's IERCF Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to mediation.
2. Any and all disputes during the pendency of the work shall be subject to resolution by Authority IERCF Project Manager and Contractor shall comply, pursuant to Authority IERCF Project Manager instructions. If Contractor is not satisfied with any such resolution by Authority's Project Manager, they may file a written protest with Authority's IERCF Project Manager within seven (7) calendar days after receiving written notice of Authority's decision. Failure by

Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of Authority's Construction Manager's resolution. Authority's IERCF Project Manager shall submit Contractor's written protests to the General Manager, together with a copy of Authority Construction Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with Authority's IERCF Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of mediation, the parties hereto agree that there shall be a single neutral Mediator who shall be selected in the following manner:
 - a. The Demand for a Mediator shall include a list of five (5) names of persons acceptable to Contractor to be appointed as Mediator. Authority shall determine if any of the names submitted by Contractor are acceptable and, if so, such person shall be designated as Mediator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Authority, or if for any reason the Mediator selected in Step (a) is unable to serve, Authority shall submit to Contractor a list of five (5) names of persons acceptable to Authority for appointment as Mediator. Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
4. Joinder in Mediation/Arbitration: Authority may join Contractor in mediation or arbitration commenced by an agreement mediator on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from Authority's representative to Contractor.

N. Prevailing Wages: The work associated with this Contract shall be subject to the prevailing wage requirements specified within Section 1770 of the California Labor Code. The selected Contractor shall not pay its employees assigned to this project less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed, and for each craft or type of worker needed to execute the work contemplated under this Contract. In accordance with the Labor Code, Authority has on file a schedule of prevailing wage rates for the types of work covered by this Contract.

Contractor, or any subcontractor performing part of the Work, shall strictly adhere to all provisions of the Labor Code, including, but not limited to minimum days,

work days, nondiscrimination, apprentices, maintenance, and availability of accurate payroll records and any other matters required under Federal, State, or local laws related to labor. As such, Certified Payroll Reporting must be transmitted to the DIR as per <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html> with copies to the Authority's Project Manager.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: Authority retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to Authority from the moment of their preparation, and Contractor shall deliver same to Authority whenever requested to do so by the IERCF Project Manager and/or Authority. Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of Authority. Any reuse of such documents for other than the specific purpose, intended as stated herein, shall be at the sole risk of the user, and without liability or legal exposure to Contractor.

Notwithstanding any provision to the contrary contained in this Contract, Contractor shall retain sole ownership to its preexisting information including but not limited to computer programs, software, standard details, figures, templates and specifications.

When transferring data in electronic media format, Contractor makes no representation as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Contractor at the beginning of the Project.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it shall perform acceptance tests or procedures within sixty (60) days of receipt, after which Authority shall have deemed to have accepted the data transferred. Any errors detected within the sixty (60) days shall be corrected by Contractor at no additional cost to Authority. Contractor shall not be responsible to maintain documents stored in electronic media format after acceptance by Authority. The original hard copy of the documents containing the professional engineer's seal shall take precedence over the electronic documents.

12. PUBLIC RECORDS POLICY: Information made available to Authority may be subject to the California Public Records Act (Government Code Section 6250 et seq.) Authority's use and disclosure of its records are governed by this Act. Authority shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Authority shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal

process. If Authority is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Authority from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to Authority when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Authority or for the performance of Work related to the project.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Authority when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Authority-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Authority has title as directed in writing by the Contract Administrator and/or Authority.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Authority's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Authority, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Authority.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Authority to have complete enjoyment of the Work or Documentation, Contractor shall grant to Authority a non-exclusive, irrevocable, royalty-free license, as may be required by Authority for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the

Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Authority, all necessary licenses regarding such Proprietary Rights so as to allow Authority the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Authority.

- B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Authority to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

15. INFRINGEMENT: Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trademark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Authority, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Authority's option, refund any amount paid by Authority under the Contract, or exert its best efforts to procure for Authority the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Authority so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Authority's continued use of the Work and Documentation.

16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Authority: Mr. Warren T. Green
Manager of Contracts, Procurement and Risk Services
for Inland Empire Regional Composting Authority
P.O. Box 9020
Chino Hills, California 91709-0902

Contractor: Mr. Mark D. Reimers

President
R & S Industrial Field Services Inc.
P.O. Box 2796
Victorville, California 92393

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon Authority, Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of Authority; and any such purported or attempted assignment, transfer or disposal without the prior written consent of Authority shall be null, void and of no legal effect whatsoever.
18. RIGHT TO AUDIT: Authority reserves the right to review and/or audit all Contractors' records related to the work assigned by subsequent Task Orders. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. Contractor shall make all records and related documentation available within three (3) working days after said records are requested by Authority.
19. INTEGRATION: The Contract Documents represent the entire agreement of Authority and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by Authority and Contractor.
20. GOVERNING LAW: This Agreement is to be governed by and constructed in accordance with the laws of the State of California.
21. TERMINATION FOR CONVENIENCE: Authority reserves and has the right to immediately suspend, cancel or terminate this Agreement at any time upon written notice to Contractor. In the event of such termination, Authority shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
23. NOTICE TO PROCEED: No services shall be performed or furnished under this Master Services Contract unless and until a Notice to Proceed has been issued to Contractor.
24. AUTHORITY-PROVIDED INFORMATION AND SERVICES: The Authority shall furnish

Consultant available studies, reports and other data pertinent to Contractor's services; obtain or authorize Contractor to obtain or provide additional reports and data as required; furnish to Contractor services of others required for the performance of Contractor's services hereunder, all subject to Authority's prior approval, and Contractor shall be entitled to use and rely upon all such information and services provided by the Authority or others in performing Contractor's services under this Agreement.

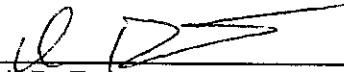
25. **THIRD PARTIES:** The services to be performed by Contractor are intended solely for the benefit of the Authority. No person or entity not a signatory to this Agreement shall be entitled to rely on Contractor's performance of its services hereunder, and no right to assert a claim against Contractor by assignment of indemnify rights or otherwise shall accrue to a third party as a result of this Agreement of the performance of Contractor's services hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered as of the day and year written on Page One.

**INLAND EMPIRE REGIONAL
COMPOSTING AUTHORITY:**

R & S INDUSTRIAL FIELD SERVICE INC.:

Jeff Ziegenbein (Date)
Manager of Regional Compost Operations/
Project Manager



Mark D. Reimers (Date)
President 12/29/2020

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MASTER SERVICES CONTRACT NUMBER: 4600002993
FOR PROVISION OF
MINOR CONSTRUCTION AND MAINTENANCE SERVICES

THIS CONTRACT (the "Contract"), is made and entered into this 21st day of January, 2021, by and between the Inland Empire Regional Composting Authority, a Joint Powers Authority organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to interchangeably as "Authority," "IERCA", and "IERCF"), and Innovative Construction Solutions, with offices located in Costa Mesa, California (hereinafter referred to as "Contractor"), in order to establish mutually acceptable terms and conditions which shall hold for and govern all "Task Order" releases subsequently issued under this Master Services Contract.

RECITALS

Whereas Authority anticipates future needs to retain the services of Contractor to provide minor construction and maintenance services on an "as needed" Task Order assignment basis;

Whereas Contractor is willing to undertake performance of such Task Order assignments for which the terms and conditions set forth herein shall apply;

THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereby agree as follows:

1. ORDER OF PRECEDENCE: The documents referenced below constitute the Agreement Documents and are each hereby incorporated herein. In the event of any conflicts or inconsistencies between any of the Contract Documents, the governing order of precedence shall be as follows:
 1. Amendments to Task Order releases under this Master Services Contract.
 2. Task Order releases under this Master Services Contract.
 3. Amendments to this Master Services Contract.
 4. Master Services Contract Number 4600002993, General Terms and Conditions.
 5. Authority's Request for Proposals Number RFP-RW-20-005, attached hereto and

made a part hereof as **Exhibit 1**.

6. Contractor's Proposal dated December 10, 2020, attached hereto and made a part hereof as **Exhibit 2**.

2. SCOPE OF WORK AND SERVICES: Contractor shall provide all labor, materials, tools, machinery, equipment, and other items and services necessary to properly perform any work (hereinafter referred to as the "Work") as set for in each individual on-call request or Task Order agreed to and released under this Master Services Contract, including exhibits and amendments hereto. The Work shall be carried out in accordance with the Contract Documents in a diligent and workman-like manner, utilizing qualified personnel and good and sufficient materials and equipment. Subject equipment shall be covered by a signed copy of Authority's "Waiver / Release of Liability" form (previously submitted as part of **Exhibit 2**). Further, Contractor shall perform only those work assignments authorized by on-call requests or Task Orders issued in conjunction with this Contract, or as otherwise directed by the IERCF Project Manager for completion of emergency projects, prior to Task Order completion.

Ordering Provisions and Understandings:

Negotiation of Task Orders: Authority and Contractor each reserve and retain the right to negotiate the Work, price, and term of any specific on-call request or Task Order. However, both parties agree that the various proposed labor and expense rates used to develop each Task Order's price shall be consistent with those specified referencing the **Exhibit A** Reimbursement Schedule.

Task Order Price: The price for each Task Order shall be addressed and authorized via the content of each specific Task Order.

Task Order Format: Each Task Order issued under this Master Services Contract shall be of similar form to the Example Task Order that is included herein as **Exhibit B** – Sample Task Order.

Task Order On-call Maintenance Protocol:

If/when an emergency arises, the IERCF Project Manager or a designated staff member shall email out a request of availability, to all contractors on the On-Call Maintenance and Minor Construction Services Contract, identifying the emergency situation and request whether the contractor is able to respond within the time period indicated. The contractor shall provide a response which includes the **original email subject line request name** or respond to the original e-mail request on whether they are able to respond or not, for record keeping purposes. The Contractor shall indicate in the response the Subject date and time they are available to meet. Failure to place subject line from request in response and date and time Contractor is available to meet will result in Authority responding to next responsible/responding Contractor.

The IERCF Project Manager or a designated staff member shall identify contractor for

award of the emergency work and issue a verbal or emailed notice to proceed. The first contractor to respond and be available to meet shall be asked to provide a not-to-exceed cost for use in establishing a limit for the project. Contractor's rates for emergency work shall be based on the current Caltrans Equipment Rental Rates and the California Department of Labor's (DOL) Department of Industrial Relations (DIR) General Prevailing Wage Determination for the type of work being performed, or as negotiated between the contractor and Authority's Project Manager. Contractor shall complete Daily Reports and submit to Authority for approval on a daily basis.

If, or when, changes in work are identified, it shall be the responsibility of the contractor to submit a revised not-to-exceed cost, so that the Authority may obtain proper authorization for spending additional Authority monies. Failure to do so may result in the Authority declining to pay any cost above the not-to-exceed cost. Contractor must be within one and one-half (1.5) hours from the site. Failure to be able to meet within the time specified may lead to selection of the respondent who is best able to meet the Authority's immediate emergency request.

Failure to provide a response or to be available over a number of requests, may also lead to removal from the On-Call Maintenance and Minor Construction Services Contract, at the discretion of the Manager of Regional Compost Operations.

Subsequent to completion of emergency repair work, contractor shall submit a summary of all changes/expenses incurred in conjunction with the repair to the Authority's Project Manager or designated staff member for review and approval. All receipts must be attached along with required payroll information. Upon mutual agreement between the two parties as to the total costs incurred, Authority shall subsequently issue an "after-the-fact" written Task Order release to Contractor for signature and return, via DocuSign, to authorize the payment of the agreed-to-costs.

Any work that shall be needed to be performed off-site (e.g. permitting, engineering, fabrication or pick-up and transportation of materials) shall be authorized by the Authority prior to work occurring. It shall be the Contractor's responsibility to keep the Authority fully informed as to cost and need for off-site work so that time may be approved on the Daily Report.

The Authority reserves the right to dictate how work is to be performed and what equipment and manpower is required to complete said task.

TASK ORDER MAINTENANCE PROTOCOL

As each need for planned work arises, a Request for Proposal (RFP) shall be forwarded to all contractors (participating in the On-Call Maintenance and Minor Construction Services Contracts) for the purpose of obtaining a competitive bid/proposal. A mandatory job walk may be held as part of any solicitation. If the contractor desires to propose for the work, the contractor shall respond, within the requested number of working days from receipt of Authority's solicitation, not to be less than five (5) working days, with submittal of a price and or technical proposal (if applicable), to perform the requested service(s). This proposal shall be reviewed and, if selected by the Authority, negotiated as required to develop mutually-agreed-upon Task Order content and price. Each Task Order shall

designate a specific scope of work, schedule, firm-fixed or not-to-exceed compensation, and other specifications and terms particular to the work. Upon agreement and execution by both parties, the Task Order shall be released, and the Contractor may begin performance of the work provided for under the executed Task Order. Failure to execute a Task Order within a reasonable amount of time (e.g., 5 days) may be used as the basis of selecting the second-lowest cost/proposal, etcetera, until a Task Order can be executed.

If changes in scope are needed during the course of the work, a change order shall be negotiated. If no agreement on a change order can be agreed to, and force account is directed, provisions of **Exhibit A** would apply.

Failure to fulfill the terms or intent of the work may be used as a basis of terminating the Contractor from the On-Call Maintenance and Minor Construction Services Contract.

3. TERM: The term of this Contract shall extend from the date of the Project Manager's Notice to Proceed and terminate on December 31, 2022, unless agreed to by both parties, reduced to writing, and formally incorporated as an amendment to this Contract. Authority reserves the right to extend five (5) optional one-year term extensions to this Contract, subject to mutual negotiation, not to exceed seven (7) years total from the date of award.
4. SCHEDULE: Contractor shall complete the Work specified by each Task Order in accordance with the schedule established within said Task Order. All Work shall be fully finished no later than the date specified in said Task Order, unless terminated sooner or extended as provided for therein.
5. INVOICING, PAYMENT DISCOUNT & PAYMENT: Contractor's invoices shall be based on Contractor's firm-fixed price bid for each specified Task Order, or time and expenses accrued for emergency work. Any subsequent field change orders shall have Contractor's bid approved in advance by Authority's IERCF Project Manager, reduced to writing by Construction Management's field change order, and signed by both parties. Emergency work shall be based on the Caltrans Equipment Rental Rates and the California Department of Industrial Relations General Prevailing Wage Determinations available at the time the work is authorized, as negotiated between the parties, and as per mark-ups noted in **Exhibit A**, and the not-to-exceed authorization.

Authority shall pay the full/approved invoice amount within thirty (30) days following receipt of the invoice. Payment shall be withheld for any service which does not meet the requirements of this Contract or the associated Task Order, until such service is revised, the invoice resubmitted, and accepted by the Project Manager. Contractor's invoices shall include reference to the associated Task Order Number. All original invoices shall be submitted to APGroup@ieua.org .

6. COMPENSATION AND CHANGES: As compensation for the Work satisfactorily performed against Task Order releases under this Contract, Authority shall pay Contractor's firm-fixed price bid for each executed Task Order. Any additional Work or services shall be authorized in advance by Authority's Project Manager, reduced to writing by a Construction Management field change order, and signed by both parties. Emergency compensation shall be based on the Caltrans Equipment Rental Rates and the California Department of

Industrial Relations General Prevailing Wage Determinations available at the time the work is authorized, as negotiated between the parties.

Authority may, at any time, make changes to the Scope of Work, including additions, reductions, and changes to any or all of the Work, as directed in writing via a Task Change Order issued by Authority and executed by both Parties. The Task Order Change Order shall, if warranted, convey any associated change to the established Task Order price and/or schedule.

7. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Task Order-specified Work Schedule. If performance of the Work falls behind schedule, Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule for consideration by the Project Manager.

8. FITNESS FOR DUTY:

A. Fitness: Contractor's personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;
2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Authority.

4. Confined Space Work:

I. Precautions and Programs:

a. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work or the activities of subcontractors, suppliers, and others at the work site.

b. The Contractors and subcontractors shall comply with the provisions of the Safety and Health Regulations for Construction, promulgated by the Secretary of Labor under Section 107 of the "Contract Work Hours and Safety Standards Act," as set forth in Title 29 C.F.R. If the Authority is notified of an alleged violation of the Occupational Safety and Health Standards referred to in this Section and it is established that there is a violation, the Contractor shall be

subject to liquidated damages as provided in the Contract.

c. The Contractor and all subcontractors shall comply with the provisions of the Occupational Safety and Health Standards, promulgated by the United States Secretary of Labor under the "Occupational Safety and Health Act of 1970," as set forth in Title 29, C.F.R. Where an individual State act on occupational safety and health standards has been approved by federal authority, then the provisions of said state act shall control.

d. The Contractor shall take all necessary precautions for the safety of, and shall provide the necessary supervision, control, and direction to prevent damage, injury, or loss to:

- 1) All employees on the work or work site and other persons and organizations who may be affected thereby;
- 2) All the work and materials and equipment to be incorporated therein, whether in storage or on or off the work site; and
- 3) All other property at the site.

e. Contract work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to the start of the project:

- 1) *Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157. This regulation also requires the following to be submitted to IEUA for approval prior to the entry of a confined space:*
- 2) *A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, and a rescue plan.*

f. The Contractor must also submit a copy of their Safety Program or IIPP prior to the start of the project for approval by the Safety & Risk Department.

9. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. **Minimum Scope of Insurance:** Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a

general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, covering hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
 3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
 4. Professional Liability (Errors and Omissions): Insurance appropriate to the Consultant's profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.
- B. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the Authority. At the option of the Authority, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Authority, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.
- C. Other Insurance Provisions: The insurance policies are to contain, or be endorsed to contain, the following provisions:
1. General Liability and Automobile Liability Coverage
 - a. Additional Insured Status: The Authority, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
 - b. Primary Coverage: The Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the Authority, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Authority, its officers, officials, employees, volunteers, property owners or engineers under

contract with the Authority shall be excess of the Consultant's insurance and shall not contribute with it.

- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Authority, its officers, officials, employees or volunteers.
- d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. Workers' Compensation and Employers Liability Coverage

The insurer hereby grants to Authority a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Authority by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the Authority has received a waiver of subrogation endorsement from the insurer.

3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the Authority.

- D. Acceptability of Insurers: All insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-:VII, and who are admitted insurers in the State of California.
- E. Verification of Coverage: Consultant shall furnish the Authority with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Authority before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Authority reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Inland Empire Regional Composting Authority
Attn: Insurance Manager
P.O. Box 2470
Chino Hills, California 91709

10. LEGAL RELATIONS AND RESPONSIBILITIES

- A. Professional Responsibility: Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.
- B. Status of Contractor: Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of Authority.
- C. Observing Laws and Ordinances: Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, Authority, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by Contractor or its employees.
- D. Subcontracted Services: Any subcontracts for the performance of any services under this Contract shall be subject to the prior written approval of the Project Manager.
- E. Grant-Funded Projects: Contractor shall be responsible to comply with all grant flow-down requirements related to any Task Order assignments. These may include, but shall not be limited to: Davis-Bacon Act, Endangered Species Act, Executive Order 11246 (Affirmative Action Requirements), Equal Opportunity, Competitive Solicitation, Records Retention and Public Access to Records, and Compliance Review. If a Federally-funded project, or predecessor, Contract Task Order shall have separate, additional reporting accountability on the use of funds.

Contractor shall inquire of the cognizant Project Manager for each Task Order issued if work is grant funded.
- F. No Guarantee of Work: Contractor understands that there is no guarantee of subsequent Task Order assignments given or implied by entering into this Master

Services Contract.

- G. Liens: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against Authority. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.
- H. Indemnification: Consultant shall indemnify the Authority, its directors, employees and assigns, and shall defend and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract.

In addition to the above, Contractor will indemnify, defend, and hold Authority, its directors, employees, agents, and assigns harmless from all liabilities, losses, damages, claims, penalties, fines, costs, attorney's fees or other responsibilities incurred by the Authority (an "Indemnified Loss") as a result of the acts, errors or omissions, whether intentional, negligent or otherwise, of Contractor, its employees, and its subcontractors or consultants that result in claims against the Authority by Contractor's employees, subcontractors and/or consultants for employment-related claims including but not limited to claims for wages, benefits, insurances, employee misconduct, workplace hostile environment, wrongful termination, discrimination or retaliation.

Contractor will not be obligated to indemnify, defend or hold harmless Authority for any liabilities, losses, damages, claims, penalties, fines, costs, attorney's fees or other responsibilities incurred by the Authority (a "Non-Indemnified Loss") as a result of claims made by Contractor's employees, Contractors and/or contractors against Authority arising out of the negligent, intentional or reckless acts, errors or omissions of Authority and its employees.

- I. Conflict of Interest: No official of Authority who is authorized in such capacity and on behalf of Authority to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.
- J. Equal Opportunity: During the performance of this Contract, Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.
- K. Extra Work: If at any time during the Task Order assignment, Contractor receives a direction which Contractor feels is outside the Task Order's Scope of Work, Contractor shall immediately notify Authority's Project Manager and obtain written direction. The Contractor shall receive no extra compensation for extra work unless

Authority receives timely notification of Contractor's opinion that the work is outside of the contracted scope. If the nature of the direction is such that an investigation is required to determine if the work is outside Contractor's agreed upon scope, Contractor must notify Authority's Project Manager that the directed work appears to be outside the scope within fourteen (14) calendar days after receiving the direction from Authority personnel. If Authority does not receive a request for additional compensation within the fourteen (14) calendar days, Contractor shall not receive extra compensation for extra work performed. Extra work performed without authorization shall be at Contractor's sole cost.

L. Non-Conforming Work: Contractor represents that the Work and Documentation shall meet the standard of care of Contractor's profession. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Authority, correct any and all agreed-to errors in the Work or Documentation, regardless of whether any such errors are brought to the attention of Contractor by Authority, or any other person or entity. Contractor shall within three (3) calendar days, correct any error that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Contractor's receipt of notice of the error. Upon request of Authority, Contractor shall correct any such error deemed important by Authority in its sole discretion to Authority's continued use of the Work or Documentation within seven (7) calendar days after Contractor's receipt of notice of the error. If the IERCF Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Construction Manager, in writing, detailing the dispute and reason for Contractor's position. Any dispute that cannot be resolved between the IERCF Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

M. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. Contractor shall pursue the work to completion in accordance with the instruction of Authority's IERCF Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to mediation.
2. Any and all disputes during the pendency of the work shall be subject to resolution by Authority IERCF Project Manager and Contractor shall comply, pursuant to Authority IERCF Project Manager instructions. If Contractor is not satisfied with any such resolution by Authority's Project Manager, they may file a written protest with Authority's IERCF Project Manager within seven (7) calendar days after receiving written notice of Authority's decision. Failure by

Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of Authority's Construction Manager's resolution. Authority's IERCF Project Manager shall submit Contractor's written protests to the General Manager, together with a copy of Authority Construction Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with Authority's IERCF Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for mediation with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of mediation, the parties hereto agree that there shall be a single neutral Mediator who shall be selected in the following manner:
 - a. The Demand for a Mediator shall include a list of five (5) names of persons acceptable to Contractor to be appointed as Mediator. Authority shall determine if any of the names submitted by Contractor are acceptable and, if so, such person shall be designated as Mediator.
 - b. In the event that none of the names submitted by Contractor are acceptable to Authority, or if for any reason the Mediator selected in Step (a) is unable to serve, Authority shall submit to Contractor a list of five (5) names of persons acceptable to Authority for appointment as Mediator. Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.
4. Joinder in Mediation/Arbitration: Authority may join Contractor in mediation or arbitration commenced by an agreement mediator on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from Authority's representative to Contractor.

- N. Prevailing Wages: The work associated with this Contract shall be subject to the prevailing wage requirements specified within Section 1770 of the California Labor Code. The selected Contractor shall not pay its employees assigned to this project less than the general prevailing wage rates, as determined by the Director of the State of California Department of Industrial Relations for the locality in which the work is to be performed, and for each craft or type of worker needed to execute the work contemplated under this Contract. In accordance with the Labor Code, Authority has on file a schedule of prevailing wage rates for the types of work covered by this Contract.

Contractor, or any subcontractor performing part of the Work, shall strictly adhere to all provisions of the Labor Code, including, but not limited to minimum days,

work days, nondiscrimination, apprentices, maintenance, and availability of accurate payroll records and any other matters required under Federal, State, or local laws related to labor. As such, Certified Payroll Reporting must be transmitted to the DIR as per <http://www.dir.ca.gov/Public-Works/Prevailing-Wage.html> with copies to the Authority's Project Manager.

11. OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY: Authority retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to Authority from the moment of their preparation, and Contractor shall deliver same to Authority whenever requested to do so by the IERCF Project Manager and/or Authority. Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of Authority. Any reuse of such documents for other than the specific purpose, intended as stated herein, shall be at the sole risk of the user, and without liability or legal exposure to Contractor.

Notwithstanding any provision to the contrary contained in this Contract, Contractor shall retain sole ownership to its preexisting information including but not limited to computer programs, software, standard details, figures, templates and specifications.

When transferring data in electronic media format, Contractor makes no representation as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by Contractor at the beginning of the Project.

Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it shall perform acceptance tests or procedures within sixty (60) days of receipt, after which Authority shall have deemed to have accepted the data transferred. Any errors detected within the sixty (60) days shall be corrected by Contractor at no additional cost to Authority. Contractor shall not be responsible to maintain documents stored in electronic media format after acceptance by Authority. The original hard copy of the documents containing the professional engineer's seal shall take precedence over the electronic documents.

12. PUBLIC RECORDS POLICY: Information made available to Authority may be subject to the California Public Records Act (Government Code Section 6250 et seq.) Authority's use and disclosure of its records are governed by this Act. Authority shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Authority shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal

process. If Authority is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Authority from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

13. TITLE AND RISK OF LOSS:

- A. Documentation: Title to the Documentation shall pass to Authority when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Authority or for the performance of Work related to the project.
- B. Material: Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Authority when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Authority-owned equipment of which it has custody.
- C. Disposition: Contractor shall dispose of items to which Authority has title as directed in writing by the Contract Administrator and/or Authority.

14. PROPRIETARY RIGHTS:

- A. Rights and Ownership: Authority's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:
 - 1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Authority, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Authority.
 - 2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Authority to have complete enjoyment of the Work or Documentation, Contractor shall grant to Authority a non-exclusive, irrevocable, royalty-free license, as may be required by Authority for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the

Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Authority, all necessary licenses regarding such Proprietary Rights so as to allow Authority the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Authority.

B. No Additional Compensation: Nothing Set forth in this Contract shall be deemed to require payment by Authority to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

15. INFRINGEMENT: Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trademark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Authority, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Authority's option, refund any amount paid by Authority under the Contract, or exert its best efforts to procure for Authority the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Authority so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Authority's continued use of the Work and Documentation.

16. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Authority: Mr. Warren T. Green
Manager of Contracts, Procurement and Risk Services
for Inland Empire Regional Composting Authority
P.O. Box 9020
Chino Hills, California 91709-0902

Contractor: Mr. Telvis Artis

Heavy Industrial Services
Innovative Construction Solutions
575 Anton Boulevard, Suite 850
Costa Mesa, California 92626

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon Authority, Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of Authority; and any such purported or attempted assignment, transfer or disposal without the prior written consent of Authority shall be null, void and of no legal effect whatsoever.
18. RIGHT TO AUDIT: Authority reserves the right to review and/or audit all Contractors' records related to the work assigned by subsequent Task Orders. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. Contractor shall make all records and related documentation available within three (3) working days after said records are requested by Authority.
19. INTEGRATION: The Contract Documents represent the entire agreement of Authority and Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by Authority and Contractor.
20. GOVERNING LAW: This Agreement is to be governed by and constructed in accordance with the laws of the State of California.
21. TERMINATION FOR CONVENIENCE: Authority reserves and has the right to immediately suspend, cancel or terminate this Agreement at any time upon written notice to Contractor. In the event of such termination, Authority shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.
22. FORCE MAJEURE: Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.
23. NOTICE TO PROCEED: No services shall be performed or furnished under this Master Services Contract unless and until a Notice to Proceed has been issued to Contractor.
24. AUTHORITY-PROVIDED INFORMATION AND SERVICES: The Authority shall furnish

Consultant available studies, reports and other data pertinent to Contractor's services; obtain or authorize Contractor to obtain or provide additional reports and data as required; furnish to Contractor services of others required for the performance of Contractor's services hereunder, all subject to Authority's prior approval, and Contractor shall be entitled to use and rely upon all such information and services provided by the Authority or others in performing Contractor's services under this Agreement.

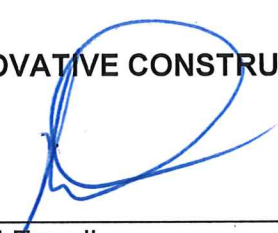
25. **THIRD PARTIES:** The services to be performed by Contractor are intended solely for the benefit of the Authority. No person or entity not a signatory to this Agreement shall be entitled to rely on Contractor's performance of its services hereunder, and no right to assert a claim against Contractor by assignment of indemnify rights or otherwise shall accrue to a third party as a result of this Agreement of the performance of Contractor's services hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered as of the day and year written on Page One.

**INLAND EMPIRE REGIONAL
COMPOSTING AUTHORITY:**

INNOVATIVE CONSTRUCTION SOLUTIONS:

Jeff Ziegenbein (Date)
Manager of Regional Compost Operations/
Project Manager



Hiran Emadi
President

1/21/2021

(Date)

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Date: February 1, 2021

To: Honorable Board of Directors

From: Jeff Ziegenbein *JZ 836*
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 maximum daily throughput levels up to 650 wet tons of biosolids and up to 300 wet tons of amendments, Monday through Friday each week.

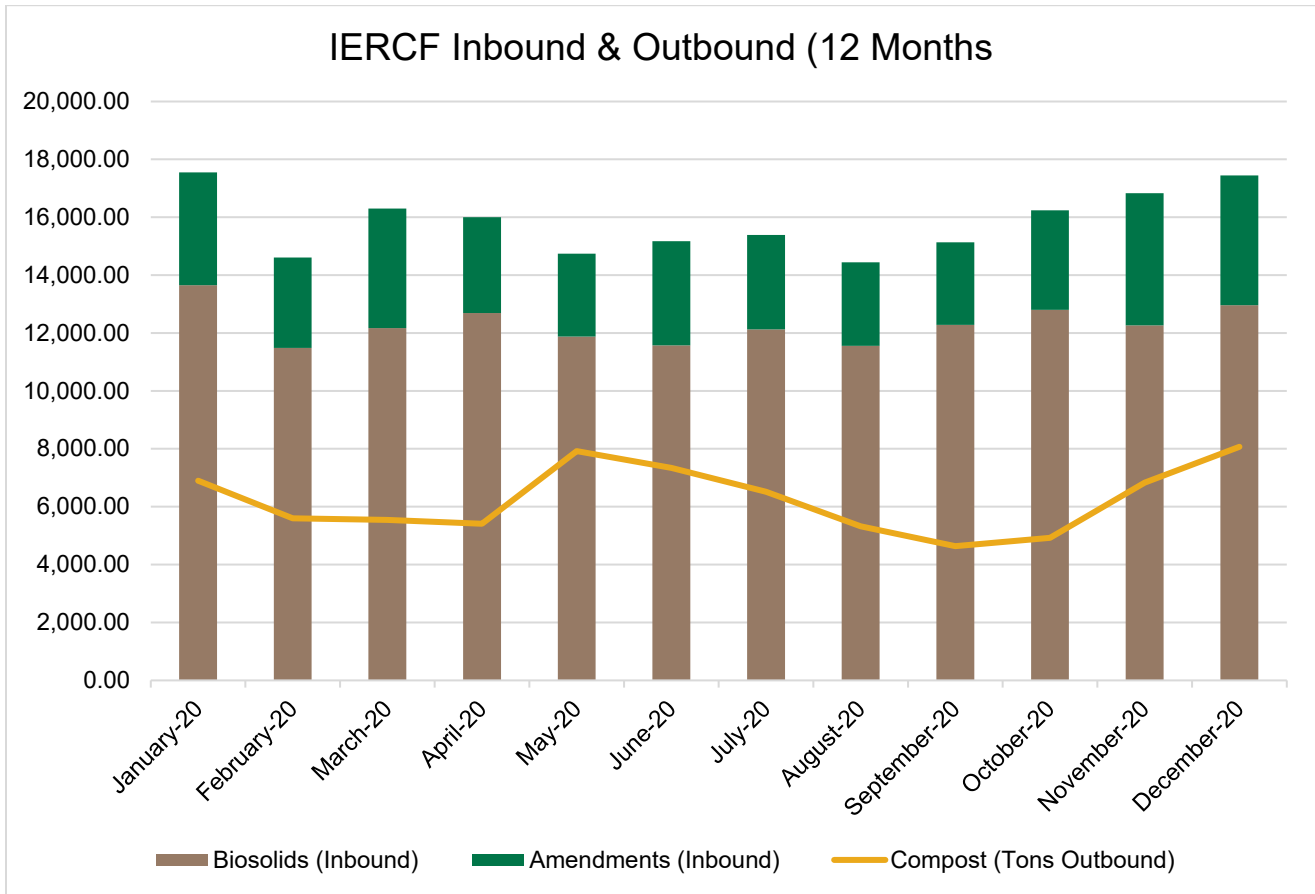
Since the last update, the IERCF staff has:

- Maintained compost sales volumes that match or exceed production volumes
- Maintained 100% compliance with permit regulations
- Successfully filled the vacant Sales and Marketing position with new hire Marcus Coulombe
- Logged over 530 days with no lost-time incidents
- No recordable incidents or accidents in 1.5 years

Table 1 lists materials processed for the current fiscal year (Q1-Q2) 2020/21, July 1-December 31, 2020, the same time period in the previous fiscal year (Q1-Q2) 2019/2020, and since start-up in April 2007 through December 31, 2020. It should be noted the biosolids tonnage for Q1-Q2 FY 20/21 was reduced slightly from March 23, 2020 until May 11, 202 to allow for a glulam repair to the compost area roof structure.

Table 1: Process summary

	Q1-Q2 FY 19/20	Q1-Q2 FY 20/21	2007-2020
Biosolids Processed (wet tons)	74,150	74,063	1,834,089
Amendments Processed (wet tons)	21,152	21,508	712,414
Compost Sold (cubic yards)	121,596	104,461	2,885,090



COVID-19 Update

The facility continued to operate at capacity with no incidents of COVID-19 illness at the time of this report. Staff continued to diligently follow CDC guidelines while carrying out operations, maintenance, sales and administrative activities at the facility.

The employees are required to self-screen for signs and symptoms of illness including fever and are instructed to notify their supervisor and to not report onsite if they show symptoms and then to maintain distancing while on site.

The Agency is monitoring the availability of COVID-19 vaccines and will encourage front line employees to vaccinate as soon as possible.

Biofilter Media Replenishment

IERCF biennial biofilter replenishment that began in September of 2020 has been completed on time and within budget for this media replenishment cycle. Staff removes each biofilter cell, one at a time, blends in approximately 25% new, chunky wood then rebuilds each cell. The replenishment strategy saves over \$500,000 versus full replacement every 3 or 4 years and helps the biofilter perform better by keeping the healthy bacteria in place. Major source testing to determine the performance of the biofilter, as required every two years by SCAQMD, will begin on January 29, 2021 and finish on February 3, 2021.



Maintenance

The Maintenance Department has identified the need for corrosion repair and rehabilitation of critical support structures of conveyance systems and interior building infrastructure. After extensive market research and field testing, the IERCA chose the Belzona line of products to provide the coating materials and application. Belzona manufactures industrial protective coatings and engineering composites in polymer systems. Specializing in the design and manufacture of repair composite materials and protective coatings for machinery, equipment, buildings and structures. The two products that will be applied are: Belzona 1111 (Super Metal) used to repair and resurface any excessively worn or eroded metal components; and Belzona 5811 (Immersion Grade) used to coat and protect all surfaces.

Belzona 1111 (Super Metal)

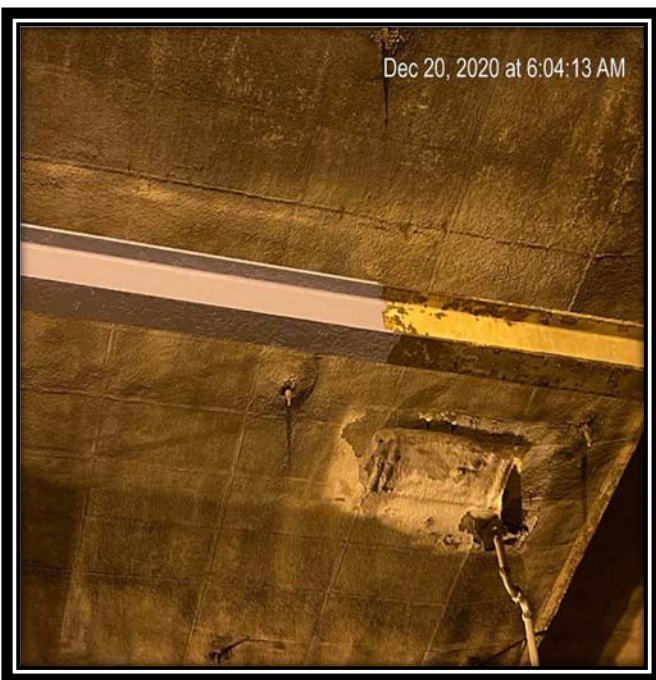
- Multi-purpose durable repair composite
- Fully machinable using conventional tools
- Application and cure at room temperature - no hot work involved
- Reduced health and safety risks as it is solvent-free
- No shrinkage, expansion or distortion
- Excellent adhesion to metals including stainless steel, carbon steel, aluminum, brass and copper
- Outstanding corrosion resistance

- Excellent chemical resistance against a wide range of chemicals
- Excellent electrical insulation characteristics

Belzona 5811 (Immersion Grade)

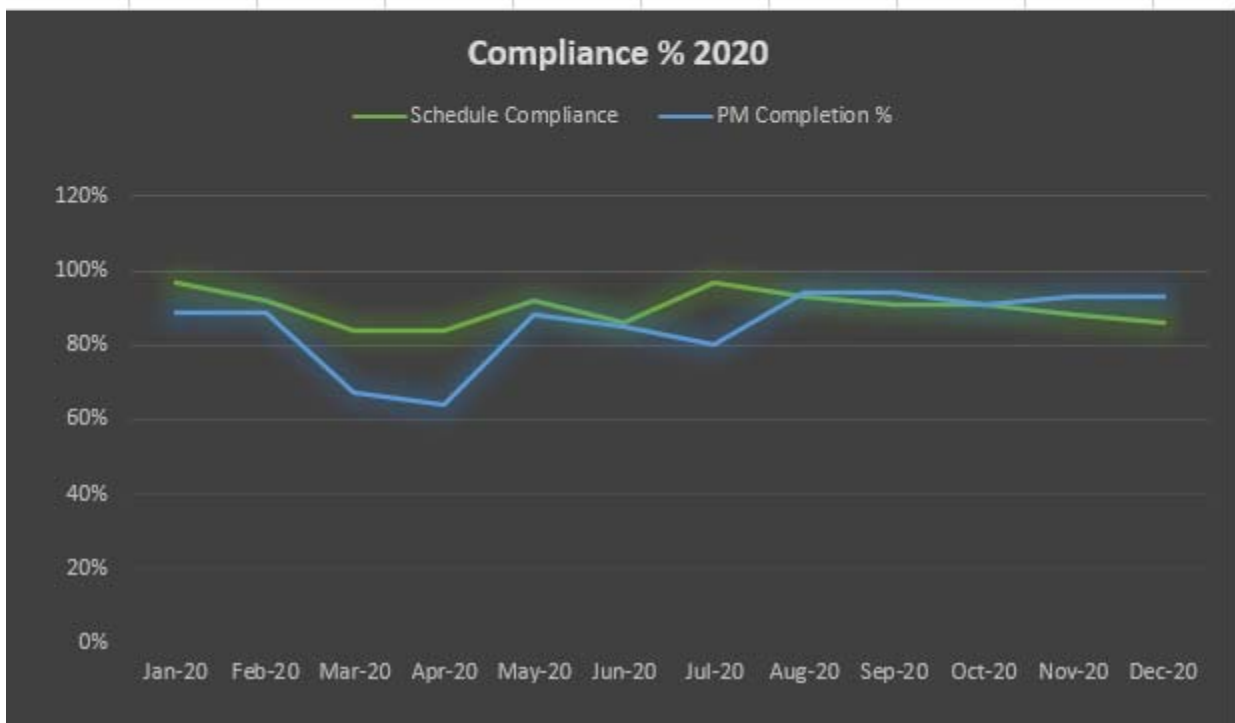
- Effective protection of equipment operating under immersion conditions from corrosion damage
- Belzona 5811DW2 (DW Immersion Grade) is approved by WRAS for the applications in contact with drinking water
- Reduced health and safety risks as it is solvent-free
- Easy application by brush or spray and cure at room temperature - no hot work involved
- Excellent chemical resistance against a wide range of chemicals as well as sea water and crude oil
- Eliminates the need for replacement and reduces downtime
- Excellent adhesion to virtually any surface including cast iron, stainless steel, brass, copper, concrete, wood, fiberglass and aluminum

This application will ensure our facility has the best material to protect critical building structures and equipment for the long term, reducing downtime, protecting assets, and lowering overall maintenance costs.



Belzona 1111 "Super Metal" application to main conveyor support I beam.

Table 2: Maintenance KPIs



*Percent complete may exceed scheduled workorders due to non-scheduled break in work orders being completed during the period.

Outreach

Inland Empire Utilities Agency

Los Angeles County Sanitation Districts

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

ITEM	NUMBER
IERCF Tours (groups/people)	0
Garden in Every School	0
Site visitors (contractors)	165

Sales and Marketing Report

The sales staff is currently servicing over 100 active customers. The team’s focus over this last quarter has been on maintaining the greatest value for our Premium Compost. Sales have matched production and we have maintained a minimum reserve inventory balance through the entire quarter. IERCA’s customer base is sustaining at 75% landscape markets and 20% agriculture with 5% going to our “Give Back” program. This market diversification has allowed IERCA to maintain a more even sales distribution throughout this season.

Despite the current conditions, SoilPro has remained the leading supplier of Premium Compost throughout the landscape and bulk material yard market segment. IERCA continues to see positive results from the “Give Back” program and continues to promote this opportunity to the many cities affiliated with IEUA and LACSD. The sales team remains committed to promoting the many advantages of SoilPro, including the increase water savings potential, ability to sequester carbon, and the use in correcting unproductive soils through healthy and natural processes. IERCA sales staff continues to monitor market conditions to ensure the best value for our compost.

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
July	18,632.15	15,197.96	\$36,324.43	\$26,993.99
August	15,829.68	18,235.92	\$33,361.10	\$47,097.00
September	13,272.68	11,554.41	\$29,355.73	\$18,735.36
October	14,086.05	24,986.59	\$27,044.19	\$37,115.24
November	19,543.16	25,873.18	\$31,456.40	\$26,834.01
December	23,088.92	25,748.13	\$30,001.22	\$17,219.37
TOTAL	104,452.64	95,848.06	\$187,543.07	\$156,775.60
AVERAGE	17,408.77	19,169.61	\$31,257.18	\$31,355.12

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

Table 5: Monthly Accounts Receivable Ageing Report

Monthly Accounts Receivable Ageing Report of IERCA (Sales only to third parties) as of 9/30/2020								
	Description	Current	1-30 Days	31-60 days	61-90 days	91-120 days	>121 days	Total
1	Amount \$	40,184.86	14,846.88	6,003.51	2,509.13	2,990.63	34,632.64	101,167.65
2	# of Invoices	36	18	6	3	4	16	83
3	# of Customers	35	17	6	3	4	5	47

All but one of the customers at >90 days are in the process of paying and are expected to continue doing business. One customer will likely have to be written off with a total debt of approximately \$500.

Table 6 Quarterly Accounts Receivable Ageing Report

Quarterly Accounts Receivable Ageing Report of IERCA (Sales only to third parties)				
Sr. #	Description	From FY 2007/08 to FY 2020/21	FY 2020/21 (July - December)	Total
1	Sales	6,988,067.58	266,493.07	7,254,560.65
2	Write off	35,727.52	0	35,727.52
3	Percentage of Write Off Sales	0.5113%		0.4925%

PRIOR BOARD ACTION

None.

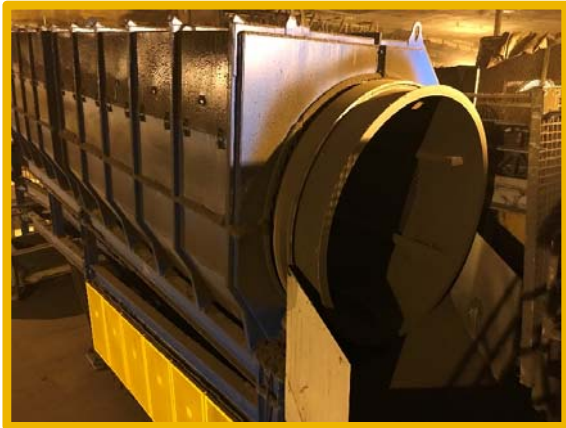
IMPACT ON BUDGET

None.

INFORMATION
ITEM

4B

IERCF Capital Project Updates



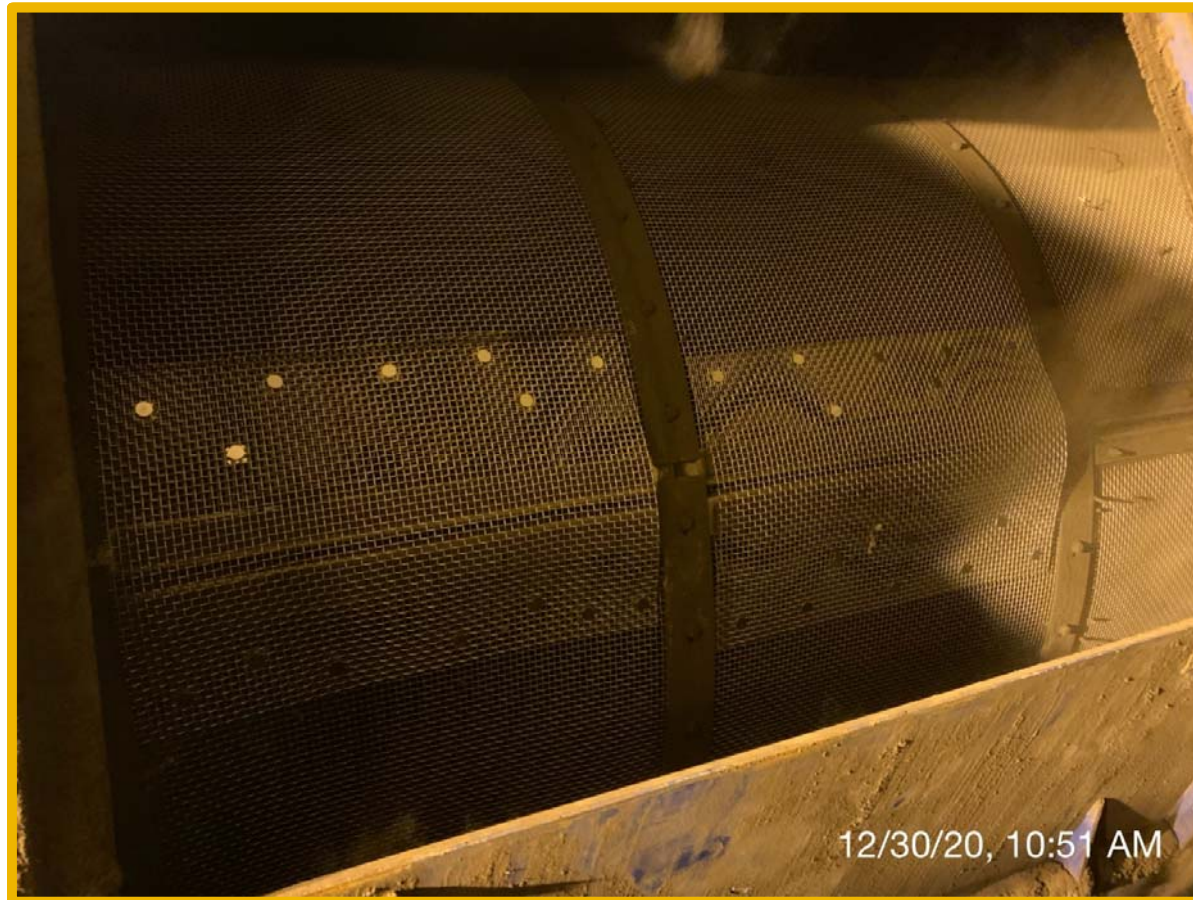
Jeff Ziegenbein
Project Manager
February 1, 2021

RA19002 – Compost Screening Plant No. 1 Replacement

Project Goal: Increase Production
Design-Build

Operational Update

- Tensioned Screen Failure
 - Screen patched to maintain operation
 - WSM/IEUA working on solution
 - Hook Style Screens
 - Tensioning Bolts



RA17007 – Wash Pad Cover

Project Goal: Improve Work Environment
Design-Build

Total Project Budget: \$426,000
Project Completion: January 2021
Overall Percent Complete: 90%

Phase	Consultant/ Contractor	Current Contract	Amendments/ Change Orders
Design	In House	N/A	N/A
Construction (Current)	Next Stage Engineering	\$313,738	6.4%

* Expected net change order and contract amount after deductive change orders



RA17007 – Wash Pad Cover

Project Goal: Improve Work Environment
Design-Build

- Compost staff using pad
- Positive comments about cover and lighting





Date: February 1, 2021

To: Honorable Board of Directors

From: Christina Valencia *CV#649*
Treasurer

Subject: Treasurer's Report of Financial Affairs for the Quarter Ended
December 31, 2020

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the quarter ended December 31, 2020 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.

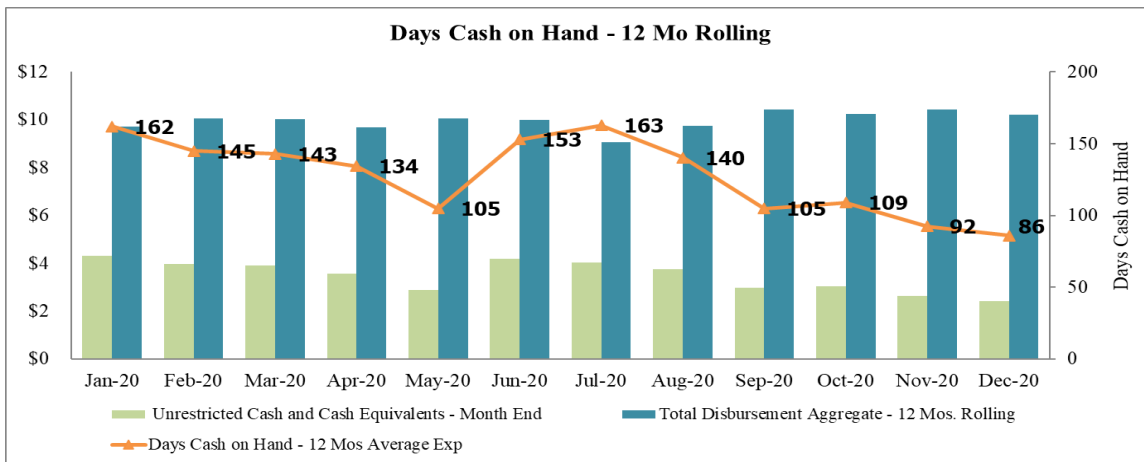
The Treasurer's Report of Financial Affairs for the quarter ended December 31, 2020 is hereby submitted in a format consistent with State requirements. As shown in the table below, December's total cash, investments, and restricted deposits equaled \$2,404,661 showing a decrease of \$586,009 when compared to the September balance of \$2,990,670. 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.

The Authority's investment portfolio average rate of return in December 2020⁽¹⁾ was 0.353 percent compared to the September 2020 yield of 0.443 percent. As the COVID-19 pandemic continues to cause human and economic hardship across the nation, economic activity remains sluggish and interest rates remain relatively low. Interest earnings for the quarter ended December 31 were \$4,930.

	September	December ⁽¹⁾	Changes from Prior Quarter
Total Cash, Investments, Restricted Deposits	\$2,990,670	\$2,404,661	(\$586,009)
Investment Portfolio Average Rate of Return	0.443%	0.353%	-0.090%

(1) Interest rate for the Local Agency Investment Fund and LA County Pooled Investment is as of November 2020.

Cash on hand (COH) for the month ended December 31, 2020 was 86 days compared to the September 30, 2020 COH of 105 days, due to lower cash balances and high 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 December 31, 2020.

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Quarter Ended December 31, 2020



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

	December	September
	\$547,947	\$941,119
Citizens Business Bank (CBB) Repurchase (Sweep)	\$580,411	\$177,525
LA County Pooled Investment	\$273,983	\$273,492
Local Agency Investment Fund (LAIF)	\$1,002,320	\$1,598,534
Total Investments	\$1,856,714	\$2,049,551
Total Unrestricted Cash and Investments Available to the Authority	\$2,404,661	\$2,990,670
<i>Total Unrestricted Cash and Investments</i>	<i>\$2,404,661</i>	<i>\$2,990,670</i>
<i>Net Change from previous Quarter</i>	<i>(\$586,009)</i>	

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Cash and Investment Summary

Quarter Ended
December 31, 2020

Unrestricted Accounts

Cash, Bank Deposits, and Bank Investment Accounts

For the Quarter Ended December 31, 2020

Demand (Checking) Accounts	\$547,947
Subtotal Demand Deposits	\$547,947
<i>Total Cash and Bank Investment Accounts</i>	<u>\$547,947</u>

Investments

Citizens Business Bank (CBB) Repurchase (Sweep)	\$580,411
Local Agency Investment Fund (LAIF)	\$1,002,320
LA County Pooled Investment	\$273,983
<i>Total Investments</i>	<u>\$1,856,714</u>

Total Cash, Investments and Restricted Deposits as of December 31, 2020 **\$2,404,661**

Total Unrestricted Cash and Investments as of 12/31/2020	<u>\$2,404,661</u>
Less: Total Unrestricted Cash and Investments as of 9/30/2020	<u>\$2,990,670</u>
<i>Total Quarterly Increase (Decrease)</i>	<u>(\$586,009)</u>

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Cash and Investment Summary

Quarter Ended
December 31, 2020

	Par Amount	Principal Amount		December Amortization	% Yield	Market Value
Investments						
<u>For the Quarter Ended December 31, 2020</u>						
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>						
Citizens Business Bank						
Checking Account	\$547,947	\$547,947		\$547,947	N/A	\$547,947
Subtotal CBB	\$547,947	\$547,947		\$547,947	N/A	\$547,947
Total Unrestricted Accounts	\$547,947	\$547,947		\$547,947		\$547,947
<u>Investments</u>						
Citizens Business Bank Sweep ⁽¹⁾	\$580,411	\$580,411		\$580,411	0.200%	\$580,411
LA County Pooled Investment ⁽²⁾	\$273,983	\$273,983		\$273,983	0.570%	\$273,983
Local Agency Investment Fund ⁽²⁾	\$1,002,320	\$1,002,320		\$1,002,320	0.576%	\$1,002,320
Subtotal Investments	\$1,856,714	\$1,856,714		\$1,856,714	0.458%	\$1,856,714
Total Investments	\$1,856,714	\$1,856,714		\$1,856,714		\$1,856,714
Total Unrestricted Cash and Investments as of December 31, 2020	\$2,404,661	\$2,404,661		\$2,404,661		\$2,404,661

⁽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 and LAIF as of November 2020.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Cash and Investment Summary

Quarter Ended
December 31, 2020

<u>Unrestricted Accounts</u>	<u>Amount Invested</u>	<u>Yield</u>
<u>Cash, Bank Deposits, and Bank Investment Accounts</u>		
Fo Citizens Business Bank - Sweep Account ⁽¹⁾	\$580,411	0.200%
LA County Pooled Investment ⁽²⁾	\$273,983	0.570%
Local Agency Investment Fund ⁽²⁾	\$1,002,320	0.576%
	\$1,856,714	0.458%
Bank Accounts		
Citizens Business Bank -Demand Account	\$547,947	N/A
	\$547,947	
<i>Total Portfolio</i>	\$2,404,661	
<i>Investment Portfolio Rate of Return</i>		0.353%
<u>Restricted/Transitory/Other Demand Accounts</u>		
<i>Total Other Accounts</i>	\$0	0.000%
Total Authority Directed Deposits	\$2,404,661	

(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 and LAIF as of November 2020.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Cash Position

Quarter Ended
December 31, 2020

