

NOTICE OF MEETING

A REGULAR MEETING

OF THE

BOARD OF DIRECTORS

OF THE

**INLAND EMPIRE REGIONAL
COMPOSTING AUTHORITY**

WILL BE HELD ON

**MONDAY, FEBRUARY 4, 2019
10:00 A.M.**

**AT THE INLAND EMPIRE REGIONAL
COMPOSTING FACILITY
12645 6th STREET
RANCHO CUCAMONGA, CA 91739**



REGULAR MEETING OF THE
BOARD OF DIRECTORS
MONDAY, FEBRUARY 4, 2019
10:00 A.M.

INLAND EMPIRE REGIONAL COMPOSTING FACILITY
12645 6TH STREET
RANCHO CUCAMONGA, CA 91739

www.ierca.org/calendar

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

FLAG SALUTE

PUBLIC COMMENT

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

ADDITIONS TO THE AGENDA

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

INTRODUCTION OF MR. KIRBY BRILL, IEUA INTERIM GENERAL MANAGER

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 5, 2018 regular meeting.

B. INVESTMENT AND DISBURSEMENT REPORT

It is recommended that the Board of Directors approve for the months of October 2018 – December 2018:

1. Total disbursements in the amount of \$2,286,367.36.
2. Transfer of \$2,500,000 to Local Agency Investment Fund from LA County Pool on November 1, 2018.

3. ACTION ITEMS

A. ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

It is recommended that the Board of Directors approve the Inland Empire Regional Composting Authority (IERCA) Annual Financial Report for the Fiscal Year ended June 30, 2018, as presented, and direct staff to make distribution, as appropriate, to the various federal, state, and local agencies, financial institutions, and other interested parties.

4. DISCUSSION ITEM FOR POSSIBLE ACTION

It is recommended that the Board discuss the draft Mission Statement for possible action.

5. INFORMATION ITEMS

A. TROMMEL SCREEN REPLACEMENT UPDATE (POWERPOINT)

B. SOLAR UPDATE (POWERPOINT)

C. PROJECT MANAGER'S REPORT

D. TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED DECEMBER 31, 2018

6. **DIRECTOR COMMENTS**

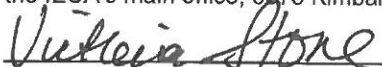
Next regular meeting is scheduled for Monday, May 6, 2019 at 10:00 a.m.

7. **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 29, 2019.


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 5, 2018
10:00 A.M.**

DIRECTORS PRESENT:

Jon Blickenstaff, Chairperson
Grace Hyde, Director
Paul Hofer, Director
Halla Razak, Director
Margaret Finlay, Director
Katie Parker, Alternate Director

DIRECTORS ABSENT:

Jasmin A. Hall, Vice Chairperson
Christina Valencia, Treasurer, IERCA

OTHERS PRESENT:

Jeffrey Ziegenbein, Project Manager, IERCA
Ann Heil, Assistant Project Manager, IERCA
Javier Chagoyen-Lazaro, Manager of Finance and Accounting, IEUA
Matt Bao, Supervising Engineer | Reuse and Compliance, SDLAC
Martin Cihigoyenette, General Counsel
Randy Lee, Executive Manager of Operations/AGM, IEUA
Warren Green, Manager of Contracts and Facilities Services, IEUA
Trenton Johnson, Electrical and Instrumentation Technician III
Justin Tao, Assistant Engineer, IEUA
Victoria Stone, Recording Secretary, IERCA

A regular meeting of the Board of Directors of the IERCA was held at the Inland Empire Regional Composting Facility (IERCF) administrative building located at 12645 Sixth Street, Rancho Cucamonga, 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 introduced new hire Trenton Johnson, Electrical and Instrumentation Technician III. Mr. Ziegenbein continued with the introduction stating that Trenton is working with one of our seasoned professionals who is retiring soon. The Board welcomed Trenton to the team.

CONSENT CALENDAR

Upon motion by Director Finlay seconded by Director Hyde, Director Parker abstained, and the motion carried:

M2018-11-1

The Board:
Approved the Consent Calendar:

- A. Minutes from the August 6, 2018 regular meeting of the Board of Directors.
- B. Investment and Disbursement Report as submitted.

ACTION ITEMS

BUDGET AMENDMENT FOR FISCAL YEAR 2017/18 ENCUMBRANCE CARRY FORWARDS

Javier Chagoyen-Lazaro gave an overview of the Encumbrance Carry Forwards recommending that the Board approve the carry forward of budget for open encumbrances in the amount of \$631,000.

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

M2018-11-2

The Board:

- 1. Approved the carry forward of budget for open encumbrances and related budget in the amount of \$631,000 from FY 2017/18 to FY 2018/19.

DISCUSSION ITEM FOR POSSIBLE ACTION

Staff presented a draft Mission Statement. The Board provided some comments about content and layout and asked staff to finalize and bring back a statement with graphics for the Board to consider at a future meeting.

PROJECT MANAGER'S REPORT

Mr. Ziegenbein stated that the facility continues to operate at full capacity and has logged over 2,774 days without a lost-time incident. He stated that the operations team has begun maintenance on the biofilter by removing the existing media, blending in 25% new wood media and rebuilding the biofilter to 7.5' high. He stated that this process adds more carbon and extends the life of the biofilter. Mr. Ziegenbein further stated that there is a source test scheduled for February 2019 as required by the facility's South Coast Air Quality Management District permit. He gave a brief report on statistics for the maintenance work orders for the quarter. Mr. Ziegenbein went on to state that the maintenance staff continue to strive for timely and reliable repairs to minimize downtime to the operations of the facility. He gave an update on the Energy/Solar project stating that this project is 70% complete and should be completed by the end of before the end of 2018. He said that the contractor is taking photos via drone and time lapse of the construction which he will share with the Board at the next meeting. Mr. Ziegenbein offered the Board a tour of the new solar panels on top of the roof. The Trommel Screen Replacement project is expected to be delivered in early January and the contractor has initiated the demolition of the existing system which is scheduled to be complete in Spring of 2019. Sales and marketing no major changes team continues to focus on servicing 100 active customers and that this is the time of year where we supply to the low

desert customers. He stated that sales are slightly below production due to hot weather resulting in a modest inventory.

TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED JUNE 30, 2018

Javier Chagoyen-Lazaro presented the Treasurer's Report of Financial Affairs for the quarter ended September 30, 2018. He stated that the Authority's investment portfolio average rate of return for September 2018 was 1.469% percent compared to the June 2018 yield of 1.453.

DIRECTORS' COMMENTS

Chairman Blickenstaff – Good luck to the Directors running in the upcoming elections.

With no further business, Chairperson Blickenstaff adjourned the meeting at 10:40 a.m.


Victoria Stone, Recording Secretary
APPROVED: February 4, 2019

DRAFT

**CONSENT
CALENDAR
ITEM**

2B



Date: February 4, 2019
To: Honorable Board of Directors
From:  Christina Valencia
Treasurer
Subject: Investment and Disbursement Report

RECOMMENDATION

It is recommended that the Board of Directors approve for the months of October 2018 – December 2018:

1. Total disbursements in the amount of \$2,286,367.36.
2. Transfer of \$2,500,000 to Local Agency Investment Fund from L.A. County Pool on November 1, 2018.

BACKGROUND

The October - December 2018 disbursement activity includes check numbers 7304-7490 in the amount of \$1,305,309.99 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 \$ 981,057.37.

| Payment Type | Checks From - To | Transactions | Total Amount |
|---------------|---------------------|--------------|-----------------------|
| Check | 7304-7490 | 186 | \$ 1,305,309.99 |
| ACH | | 35 | \$ 978,311.37 |
| Wire Transfer | | 1 | \$ 2,746.00 |
| TOTAL | | 222 | \$2,286,367.36 |

PRIOR BOARD ACTION

None.

Inland Empire Utilities Agency

Sanitation Districts of Los Angeles County

IMPACT ON BUDGET

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

Check Payee / Description Amount

| | | | |
|--------|---|----------------------------------|--------------------------------------|
| 007304 | ALLIED UNIVERSAL SECURITY SERV 9/18 Patrol Svcs | 8141802 | 683.90 |
| | ALLIED UNIVERSAL SECURITY SERV\$ | | 683.90 |
| 007305 | APPLIED INDUSTRIAL TECHNOLOGIE Pillow Block, Sheave, Bushings, Set Screw Conshear Blades | 7014334914 7014334830 | 1,720.00 727.99 |
| | APPLIED INDUSTRIAL TECHNOLOGIES\$ | | 2,447.99 |
| 007306 | BERNELL HYDRAULICS Lubricant, Tubular Lugs | 0338670-IN | 491.45 |
| | BERNELL HYDRAULICS \$ | | 491.45 |
| 007307 | CDFA / DMS 2019 Weighmaster License Rnwl Fee | 011794 2019 | 375.00 |
| | CDFA / DMS \$ | | 375.00 |
| 007308 | DAVID WHEELER'S PEST CONTROL, 9/18 Rat Control-Maintance Area 9/18 Rodent Control-Admin Building 9/18 Rodent Control-Operations 9/18 Spider Control-Composting Building | 34238 34236 34237 37518 | 440.00 440.00 440.00 250.00 |
| | DAVID WHEELER'S PEST CONTROL, \$ | | 1,570.00 |
| 007309 | DEPT OF FOOD AND AGRICULTURE Materials Mills Lic App Fee ID# 499165 3 ID#499165 10/ | | 236.45 |
| | DEPT OF FOOD AND AGRICULTURE \$ | | 236.45 |
| 007310 | EGGLETON TRUCKING INC. 9/17-9/21/18-Compost Hauling | 3186 | 8,224.92 |
| | EGGLETON TRUCKING INC. \$ | | 8,224.92 |
| 007311 | HCI SYSTEMS INC Reprogram Fire Module SW | 114558 | 1,115.00 |
| | HCI SYSTEMS INC \$ | | 1,115.00 |
| 007312 | HOME DEPOT CREDIT SERVICES Pushbrooms, T-Square, CV Clear | 5017835 | 97.12 |
| | HOME DEPOT CREDIT SERVICES \$ | | 97.12 |
| 007313 | INTERSTATE BATTERY SYSTEM Battery f/Sweeper VQUI 1202 Water Truck Repair | 150022234 140028826 | 129.39 153.28 |
| | INTERSTATE BATTERY SYSTEM \$ | | 282.67 |
| 007314 | PETE'S ROAD SERVICE Extended Tire Gauges f/Loaders | 256920-00 | 580.75 |

| Check | Payee / Description | Amount |
|--------|---|--------------|
| | PETE'S ROAD SERVICE | \$ 580.75 |
| 007315 | R & S INDUSTRIAL FIELD SERVICE Install Bunt Plate f/Screen BC 18 2636 | 18,868.31 |
| | R & S INDUSTRIAL FIELD SERVICES | \$ 18,868.31 |
| 007316 | RDO EQUIPMENT COMPANY Rpr Loader-Seat W48050 295.25 Rpr Loader-Replace Monitor W46992 2,402.97 Support, Plates, Lock Nuts, Washers, Bolts P93558 1,503.11 Filter Element P93557 174.04 Washers P93570 240.80 | |
| | RDO EQUIPMENT COMPANY | \$ 4,616.17 |
| 007317 | VIRAMONTES EXPRESS INC 8/30-8/31/18-Compost Hauling 110663 2,118.96 11/17/17-Compost Hauling 110641 830.00 | |
| | VIRAMONTES EXPRESS INC | \$ 2,948.96 |
| 007318 | APPLIED INDUSTRIAL TECHNOLOGIE Grease Cartridges 7014363425 605.08 Safety Items 7014351890 1,020.93 Safety-Visitor on Back 7014351891 555.29 Rubber Mors 7014396662 5,300.44 Fuel Filter 7014351853 46.15 | |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ 7,527.89 |
| 007319 | ASSOC OF COMPOST PRODUCERS (AC 2018 ACP IEUA Portion f/Participation 00038 5,000.00 | |
| | ASSOC OF COMPOST PRODUCERS (AC) | \$ 5,000.00 |
| 007320 | BURRTEC WASTE INDUSTRIES INC 10/18 Trash Service 10029592 10/1 1,024.92 | |
| | BURRTEC WASTE INDUSTRIES INC | \$ 1,024.92 |
| 007321 | CHAMPION FIRE SYSTEMS INC 8/18/18 Annual Sprinkler/Hydrant Inspect 48108 3,495.00 | |
| | CHAMPION FIRE SYSTEMS INC | \$ 3,495.00 |
| 007322 | CUCAMONGA VALLEY WATER DISTRIC 8/2/18-9/28/18 12645 6th St-FrLn 60390 10/18 92.00 8/2/18-9/28/18 12645 6th St-FrLn 60392 10/18 92.00 | |
| | CUCAMONGA VALLEY WATER DISTRIC | \$ 184.00 |
| 007323 | DOWNES ENERGY 3,986.0 Gals Red Dyed Diesel Fuel 0239869-IN 11,355.74 | |
| | DOWNES ENERGY | \$ 11,355.74 |
| 007324 | EGGLETON TRUCKING INC. 9/24-9/28/18-Compost Hauling 3187 8,274.42 | |

| Check | Payee / Description | | Amount |
|--------|--|---------------|-----------|
| | EGGLETON TRUCKING INC. | \$ | 8,274.42 |
| 007325 | FRONTIER PERFORMANCE LUBRICANT Silver 70 Grease | 91589 | 662.25 |
| | FRONTIER PERFORMANCE LUBRICANT | \$ | 662.25 |
| 007326 | HARRINGTON INDUSTRIAL PLASTICS Pleat Filters | 012I9907 | 3,477.23 |
| | HARRINGTON INDUSTRIAL PLASTICS | \$ | 3,477.23 |
| 007327 | HOME DEPOT CREDIT SERVICES Nipples, Couplings, Bushings | 5024319 | 210.45 |
| | Turbo Nozzles, Penlights, Nozzle Coupler | 8210121 | 193.71 |
| | HOME DEPOT CREDIT SERVICES | \$ | 404.16 |
| 007328 | INDUSTRIAL SUPPLY CO Nuts, Bolts, Screws | 98522 | 248.12 |
| | INDUSTRIAL SUPPLY CO | \$ | 248.12 |
| 007329 | INTERSTATE BATTERY SYSTEM 200 Lithium AA Cell Batteries | 1905499031697 | 515.91 |
| | INTERSTATE BATTERY SYSTEM | \$ | 515.91 |
| 007330 | MICROAGE Catalyst Switch | 2026182 | 997.64 |
| | MICROAGE | \$ | 997.64 |
| 007331 | MOTION INDUSTRIES INC Slide Gate BH 3 | CA18-597719 | 11,268.65 |
| | MOTION INDUSTRIES INC | \$ | 11,268.65 |
| 007332 | PRIORITY BUILDING SERVICES LLC 8/18 Janitorial Service Fee | 60210 | 1,129.43 |
| | PRIORITY BUILDING SERVICES LLC | \$ | 1,129.43 |
| 007333 | R & S INDUSTRIAL FIELD SERVICE Fix Shaft f/Bearing | 2631 | 588.00 |
| | Rebuild Fan #5 | 2630 | 24,949.00 |
| | R & S INDUSTRIAL FIELD SERVICE | \$ | 25,537.00 |
| 007334 | RDO EQUIPMENT COMPANY Rpr Loader-Air Conditioning Diagnostics | W48404 | 2,689.41 |
| | Filter Element | P95447 | 38.63 |
| | Rpr Loader-AC Diagnostics, Electrical | W48438 | 862.45 |
| | Rpr Loader-Torque Converter Assembly | W47705 | 12,211.80 |
| | Cap Screw | P95448 | 8.92 |
| | Rpr Loader-Rplc Rear Engine Seal/Starter | W46963 | 11,097.91 |
| | RDO EQUIPMENT COMPANY | \$ | 26,909.12 |

| Check | Payee / Description | Amount |
|--------|---|---------------------|
| 007335 | VIRAMONTES EXPRESS INC 8/30-9/11/18-Compost Hauling | 110736 8,379.92 |
| | VIRAMONTES EXPRESS INC | \$ 8,379.92 |
| 007336 | APPLIED INDUSTRIAL TECHNOLOGIE Motor, Sealmasterr, Pillow Block, Screwdriv | 7014397109 1,720.00 |
| | Filters | 7014397105 766.30 |
| | Roller Brgs/Accessories | 7014397104 383.40 |
| | Mounted Units | 7014420284 433.44 |
| | Conveyor Bushings | 7014420279 3,056.57 |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ 6,359.71 |
| 007337 | CHAMPION FIRE SYSTEMS INC Relocate 6 Fire sprinlers/Replace Test V 48383 | 2,483.70 |
| | CHAMPION FIRE SYSTEMS INC | \$ 2,483.70 |
| 007338 | CITY RENTALS INC 9/11-9/18/18 Scissor Lift Rental | 62631 621.00 |
| | CITY RENTALS INC | \$ 621.00 |
| 007339 | DAVID WHEELER'S PEST CONTROL, 9/18 Gopher Control | 33744 200.00 |
| | DAVID WHEELER'S PEST CONTROL, | \$ 200.00 |
| 007340 | EGGLETON TRUCKING INC. 10/1-10/5/18-Compost Hauling | 3188 1,316.70 |
| | EGGLETON TRUCKING INC. | \$ 1,316.70 |
| 007341 | HOME DEPOT CREDIT SERVICES Gain, Shout Stain, Rectorseal, WD40 | 8010216 307.92 |
| | HOME DEPOT CREDIT SERVICES | \$ 307.92 |
| 007342 | INDUSTRIAL SUPPLY CO Washers | 98584 93.20 |
| | INDUSTRIAL SUPPLY CO | \$ 93.20 |
| 007343 | KONICA MINOLTA BUSINESS SOLUTI 9/18 Cpr Ovrgr, Mnt-C452 | 9005009664 117.30 |
| | 9/18 Cpr Ovrgr, Mnt-C454e | 9004949156 8.54 |
| | KONICA MINOLTA BUSINESS SOLUTI | \$ 125.84 |
| 007344 | LUBRA TECH Hose, Adapters, Couplings, Swivels, Quick Sl | 14407 745.96 |
| | LUBRA TECH | \$ 745.96 |
| 007345 | RDO EQUIPMENT COMPANY Rpr Loader-Fuel/Cooling Diagnostics | W48582 2,498.54 |
| | Rpr Loader-Engine Diagnostics | W48583 570.80 |

| Check | Payee / Description | | Amount |
|--------|--|---------------|-----------|
| | Wdlt Hub | P96184 | 6,322.56 |
| | Rpr Loader-Miscellaneous Diagnostics | W48405 | 812.18 |
| | | | ----- |
| | RDO EQUIPMENT COMPANY | \$ | 10,204.08 |
| 007346 | READY REFRESH BY NESTLE | | |
| | 9/18 Bottled Water,Cooler | 08I0029858982 | 186.91 |
| | | | ----- |
| | READY REFRESH BY NESTLE | \$ | 186.91 |
| 007347 | URIMAGE | | |
| | Business Cards-JO | 10516 | 18.32 |
| | 1,100 A/P Laser Checks | 10529 | 388.76 |
| | | | ----- |
| | URIMAGE | \$ | 407.08 |
| 007348 | VIRAMONTES EXPRESS INC | | |
| | 9/12-9/14/18-Compost Hauling | 110748 | 2,648.70 |
| | | | ----- |
| | VIRAMONTES EXPRESS INC | \$ | 2,648.70 |
| 007349 | APPLIED INDUSTRIAL TECHNOLOGIE | | |
| | Lubriplate Cartridges | 7014481186 | 919.65 |
| | Gauge | 7014498943 | 388.34 |
| | Brush Brackets | 7014498873 | 5,539.91 |
| | Complete Roll Assembly | 7014498935 | 3,114.82 |
| | Shafting-Machined | 7014455116 | 1,675.68 |
| | Loctite Thread Sealant | 7014498936 | 137.79 |
| | Filters,Sheave,Torque Flex | 7014516648 | 397.64 |
| | Full Facepiece,Torque Flex,Hy-T Plus,Bus | 7014455033 | 2,368.20 |
| | Motor,Pillow Block,Set Screw,Torque Flex | 7014516649 | 1,578.32 |
| | Shafting | 7014455117 | 2,513.53 |
| | Filters,Sheave,Torque Flex | 7014481144 | 397.64 |
| | | | ----- |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ | 19,031.52 |
| 007350 | BRIGHTVIEW LANDSCAPE SERVICES | | |
| | 10/18 Weed Control Svcs | 5963872 | 418.20 |
| | | | ----- |
| | BRIGHTVIEW LANDSCAPE SERVICES | \$ | 418.20 |
| 007351 | CINTAS FIRST AID & SAFETY LOC | | |
| | 9/27/18 First Aid & Safety Supplies | 8403839312 | 395.40 |
| | | | ----- |
| | CINTAS FIRST AID & SAFETY LOC | \$ | 395.40 |
| 007352 | DAVID WHEELER'S PEST CONTROL, | | |
| | 10/18 Rodent Control-Operations | 38524 | 260.00 |
| | 10/18 Rodent Control-Admin Building | 38522 | 260.00 |
| | 9/18 Pest Control | 38127 | 31.00 |
| | 10/18 Rat Control-Maintance Area | 38526 | 260.00 |
| | | | ----- |
| | DAVID WHEELER'S PEST CONTROL, | \$ | 811.00 |
| 007353 | EGGLETON TRUCKING INC. | | |
| | 10/9/18-Compost Hauling | 3189 | 271.26 |
| | | | ----- |
| | EGGLETON TRUCKING INC. | \$ | 271.26 |

| Check | Payee / Description | | Amount |
|--------|--|---------------|----------|
| 007354 | INDUSTRIAL SUPPLY CO Nuts,Bolts | 98614 | 55.34 |
| | INDUSTRIAL SUPPLY CO | \$ | 55.34 |
| 007355 | JJ ROOFING Remove/Replace Plywood Sheathing | 15804 | 5,624.00 |
| | JJ ROOFING | \$ | 5,624.00 |
| 007356 | MODULAR BUILDING CONCEPTS INC 10/18 Trailer/Step/Ramp Rental | 199680 | 588.31 |
| | MODULAR BUILDING CONCEPTS INC | \$ | 588.31 |
| 007357 | PETTY CASH EXPENDITURES 10/22/18 Petty Cash Reim | PC 101818 | 103.14 |
| | PETTY CASH EXPENDITURES | \$ | 103.14 |
| 007358 | PRIORITY BUILDING SERVICES LLC 9/18 Janitorial Service Fee | 60609 | 1,256.23 |
| | PRIORITY BUILDING SERVICES LLC | \$ | 1,256.23 |
| 007359 | RBM LOCK & KEY Repair Door Lock | 0000094295 | 1,183.71 |
| | RBM LOCK & KEY | \$ | 1,183.71 |
| 007361 | RIVERSIDE COUNTY 10/18-Inspection/Sampling Fee, 2 Sites-O ORD 830 10/18 | | 782.00 |
| | RIVERSIDE COUNTY | \$ | 782.00 |
| 007362 | RSD Ice Maker,Filter Head,Cartridges | 55290048-00 | 3,832.67 |
| | RSD | \$ | 3,832.67 |
| 007363 | SOIL CONTROL LAB 9/11/18 Feedstock Complete Pkg | 8090328 | 270.00 |
| | 9/11/18 Size Distribution & Inserts-Comp | 8090326 | 48.00 |
| | SOIL CONTROL LAB | \$ | 318.00 |
| 007364 | U S BANK *4246044555725724 9/18 Credit Card Chgs | 5572 5724 9/1 | 2,041.69 |
| | U S BANK | \$ | 2,041.69 |
| 007365 | VERIZON WIRELESS 9/11/18-10/10/18 Cell Phone | 9816252511 10 | 939.04 |
| | VERIZON WIRELESS | \$ | 939.04 |
| 007366 | VIRAMONTES EXPRESS INC 9/12-9/18/18-Compost Hauling | 110812 | 5,002.01 |
| | 9/25/18-Compost Hauling | 110863 | 1,059.48 |

| Check | Payee / Description | | Amount |
|--------|---|---------------|-----------|
| | 9/19-9/24/18-Compost Hauling | 110844 | 4,510.42 |
| | VIRAMONTES EXPRESS INC | \$ | 10,571.91 |
| 007367 | ALLIED UNIVERSAL SECURITY SERV 10/18 Patrol Svcs | 8206814 | 683.90 |
| | ALLIED UNIVERSAL SECURITY SERV\$ | | 683.90 |
| 007368 | AON RISK INSURANCE SERVICES WE 10/20/18-10/20/19 General Liability | 8700000526486 | 29,312.00 |
| | AON RISK INSURANCE SERVICES WE\$ | | 29,312.00 |
| 007369 | APPLIED INDUSTRIAL TECHNOLOGIE Torque Flex | 7014516687 | 382.97 |
| | Link Bearings | 7014516645 | 1,176.21 |
| | Filters,Pillow Block,Sheave,Set Screw | 7014528117 | 2,738.97 |
| | Filters,Sheave | 7014528116 | 298.81 |
| | Safety Products | 7014538866 | 878.62 |
| | Air Filters | 7014516514 | 827.49 |
| | Credit f/Roller Bearing/Housing-Inv 7014 9000289507 | | 1,030.96 |
| | APPLIED INDUSTRIAL TECHNOLOGIE\$ | | 5,272.11 |
| 007370 | BS&B PRESSURE SAFETY MANAGEMEN Switch Assembly | INV04368 | 371.75 |
| | BS&B PRESSURE SAFETY MANAGEMEN\$ | | 371.75 |
| 007371 | COUNTY SANITATION DISTRICTS OF 8/18 Prjct Adm Lbr/Bnfts | 21318 | 2,133.51 |
| | COUNTY SANITATION DISTRICTS OF\$ | | 2,133.51 |
| 007372 | EGGLETON TRUCKING INC. 10/17-10/18/18-Compost Hauling | 3190 | 1,804.77 |
| | EGGLETON TRUCKING INC. | \$ | 1,804.77 |
| 007373 | FASTSIGNS Aluminum Sign w/Cut Vinyl | 477-10033 | 4,901.60 |
| | FASTSIGNS | \$ | 4,901.60 |
| 007374 | GRAINGER Standard 9V Batteries | 9927387994 | 50.10 |
| | GRAINGER | \$ | 50.10 |
| 007375 | HARRINGTON INDUSTRIAL PLASTICS Micron Filters | 012J1670 | 2,397.27 |
| | HARRINGTON INDUSTRIAL PLASTICS\$ | | 2,397.27 |
| 007376 | HOME DEPOT CREDIT SERVICES Steel,Paint,Knife | 7271107 | 106.04 |
| | HOME DEPOT CREDIT SERVICES | \$ | 106.04 |

Check Payee / Description Amount

| | | | |
|--------|---|--|---|
| 007377 | INLAND BOBCAT INC Tailgate, Radiator | P46130 | 1,507.10 |
| | INLAND BOBCAT INC | \$ | 1,507.10 |
| 007378 | INTEGRATED DESIGN SERVICES INC RA18003.00-12/1-12/30/17 Ventilation Sys 16X062.00-7 RA18101-4/1-8/29/18 Roll Up Door Widenin 17X088.00-3 | | 3,467.11 1,337.06 |
| | INTEGRATED DESIGN SERVICES INC | \$ | 4,804.17 |
| 007379 | INTERSTATE BATTERY SYSTEM Batteries | 150022494 | 939.88 |
| | INTERSTATE BATTERY SYSTEM | \$ | 939.88 |
| 007380 | RDO EQUIPMENT COMPANY Rpr Loader-Front Differential Leaking W48477 Rpr Loader-Rear Window Replacement W48257 Rpr Loader-Heater Core Leaking W48419 Rpr Loaders-Rplc Cab Glass, Seat, Paint, A/ W32276 Rpr Loader-Replace Hyd Line W48929 Rpr Loader-Rear Window Replacement W4825B Credit f/Rpr Loader-Rear Window Replacem W4825A | | 2,179.75 936.75 3,206.89 51,326.37 696.51 984.44 936.75 |
| | RDO EQUIPMENT COMPANY | \$ | 58,393.96 |
| 007381 | SOIL CONTROL LAB 9/11/18 Finished Compost Pkg | 8090325 | 698.00 |
| | SOIL CONTROL LAB | \$ | 698.00 |
| 007382 | VIRAMONTES EXPRESS INC 5/24/18-Compost Hauling 9/27/18-Compost Hauling 6/5-6/7/18-Compost Hauling | 109728 110895 109808 | 299.75 188.57 951.57 |
| | VIRAMONTES EXPRESS INC | \$ | 1,439.89 |
| 007383 | ALTA FOODCRAFT COFFEE Coffee, Splenda, Cocoa, Pot Cleaner, Stirrer 51820689 | | 212.13 |
| | ALTA FOODCRAFT COFFEE | \$ | 212.13 |
| 007384 | APPLIED INDUSTRIAL TECHNOLOGIE Conveyor Shaft Torque Flex Safety Rack, Safety Posters Bare Tool, Grease Gun, Impact Driver, Angle Rolling Steel Door Mount Assembly Torque Flex | 7014625751 7014592364 7014788849 7014586038 7014586018 7014592375 | 88.71 101.54 229.50 1,602.91 97.62 101.54 |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ | 2,221.82 |
| 007385 | BERNELL HYDRAULICS Union Spiral Hose, Flange Crimp, Seal-Lok Crimp Hose, Sealer, Nipples | 0341681-IN 0338228-IN 0341790-IN | 10.04 615.93 578.22 |

| Check | Payee / Description | Amount |
|--------|---|------------------------|
| | BERNELL HYDRAULICS | \$ 1,204.19 |
| 007386 | BURRTEC WASTE INDUSTRIES INC 11/18 Trash Service | 10094984 11/1 1,024.92 |
| | BURRTEC WASTE INDUSTRIES INC | \$ 1,024.92 |
| 007387 | CITY OF RANCHO CUCAMONGA FY 18/19 Annl Parcel Assessment -1st Ins AR124738 | 217.00 |
| | CITY OF RANCHO CUCAMONGA | \$ 217.00 |
| 007388 | DOWNES ENERGY 3,191.70 Gals Red Dyed Diesel Fuel | 0240753-IN 9,778.44 |
| | DOWNES ENERGY | \$ 9,778.44 |
| 007389 | EGGLETON TRUCKING INC. 10/26/18-Compost Hauling | 3191 3,341.25 |
| | EGGLETON TRUCKING INC. | \$ 3,341.25 |
| 007390 | GRAINGER Disposable Gloves | 9932329569 277.86 |
| | Hole Plug | 9902069187 1.79 |
| | GRAINGER | \$ 279.65 |
| 007391 | HARRINGTON INDUSTRIAL PLASTICS Pleated Filters | 012J1733 770.63 |
| | HARRINGTON INDUSTRIAL PLASTICS | \$ 770.63 |
| 007392 | HOME DEPOT CREDIT SERVICES Matchlight, Grill Brush, Spatula, Fly Traps | 8021602 67.62 |
| | HOME DEPOT CREDIT SERVICES | \$ 67.62 |
| 007393 | INTERSTATE BATTERY SYSTEM Battery f/VATV0800 | 150022503 164.49 |
| | Battery MTP-24 | 140028638 144.91 |
| | Return Battery MT-24 | 140028639-CM 142.51 |
| | Battery MT-24 | 140028639 126.99 |
| | Airman Compressor | 673305 146.41 |
| | INTERSTATE BATTERY SYSTEM | \$ 440.29 |
| 007394 | KONICA MINOLTA BUSINESS SOLUTI 10/18 Cpr Ovrgr, Mnt-C454e | 9005045017 30.84 |
| | KONICA MINOLTA BUSINESS SOLUTI | \$ 30.84 |
| 007395 | VIRAMONTES EXPRESS INC 10/5-10/9/18-Compost Hauling | 110984 769.54 |
| | VIRAMONTES EXPRESS INC | \$ 769.54 |
| 007396 | APPLIED INDUSTRIAL TECHNOLOGIE | |

| Check | Payee / Description | | Amount |
|--------|--|------------|-----------|
| | Safety Products | 7014637261 | 185.79 |
| | Shaft | 7014648485 | 199.82 |
| | Locite | 7014648469 | 105.90 |
| | | | --- |
| | APPLIED INDUSTRIAL TECHNOLOGIES | | 491.51 |
| 007397 | CITY RENTALS INC | | |
| | 10/16-10/18/18 30' Boom Rental | 63542 | 674.00 |
| | 9/11-9/19/18 Boom Rental | 62637 | 3,850.96 |
| | | | --- |
| | CITY RENTALS INC | \$ | 4,524.96 |
| 007398 | DAVID WHEELER'S PEST CONTROL, | | |
| | 10/18 Gopher Control | 38624 | 200.00 |
| | | | --- |
| | DAVID WHEELER'S PEST CONTROL, | \$ | 200.00 |
| 007399 | EGGLETON TRUCKING INC. | | |
| | 10/29-11/1/18-Compost Hauling | 3192 | 11,993.85 |
| | | | --- |
| | EGGLETON TRUCKING INC. | \$ | 11,993.85 |
| 007400 | HOME DEPOT CREDIT SERVICES | | |
| | Cordless FW | 0972537 | 305.88 |
| | | | --- |
| | HOME DEPOT CREDIT SERVICES | \$ | 305.88 |
| 007401 | INDUSTRIAL SUPPLY CO | | |
| | Nuts,Bolts,Screws | 98756 | 284.37 |
| | | | --- |
| | INDUSTRIAL SUPPLY CO | \$ | 284.37 |
| 007402 | MARS ENVIRONMENTAL INC | | |
| | 10/2/18 HazMat Disposal Service | 110024 | 914.06 |
| | | | --- |
| | MARS ENVIRONMENTAL INC | \$ | 914.06 |
| 007403 | R & S INDUSTRIAL FIELD SERVICE | | |
| | Rebuild Fan-ACTV SF3 | 2670 | 24,949.00 |
| | Rebuild Fan-ACT SF 1 | 2673 | 25,987.00 |
| | Rebuild Fan-CURG SF4 | 2674 | 25,987.00 |
| | | | --- |
| | R & S INDUSTRIAL FIELD SERVICES | \$ | 76,923.00 |
| 007404 | RDO EQUIPMENT COMPANY | | |
| | Rpr Loader-Frame Pivot Assmy,Steering Cy W48724 | | 24,607.55 |
| | Rpr Loader-Bucket Lift Cylinder Rebuild W49351 | | 2,083.32 |
| | Credit f/Warranty-Inv W45203 P96736 | | 217.50- |
| | Credit f/Dipstick P62937 | | 64.02- |
| | | | --- |
| | RDO EQUIPMENT COMPANY | \$ | 26,409.35 |
| 007405 | U S BANK | | |
| | *4246044555725724 10/18 Credit Card Chgs 5572 5724 10/ | | 389.15 |
| | | | --- |
| | U S BANK | \$ | 389.15 |
| 007406 | APPLIED INDUSTRIAL TECHNOLOGIE | | |
| | Feeler Gauges | 7014718199 | 388.21 |

| Check | Payee / Description | | Amount |
|--------|---|---------------|-----------|
| | Filters | 7014718195 | 1,476.32 |
| | Baldor Motor, Pillow Block, Screw Set, Torq | 7014695664 | 2,766.40 |
| | Spherical Rollers, Hy-T Wedges, Hy-T Plus, | 7014695718 | 2,023.86 |
| | Baldor Motor, Pillow Block, Screw Set, Torq | 7014695692 | 2,766.40 |
| | Baldor Motor, Pillow Block, Screw Set, Torq | 7014695682 | 2,766.40 |
| | Megaplex Grease | 7014695741 | 1,113.20 |
| | | | ----- |
| | APPLIED INDUSTRIAL TECHNOLOGIES | | 13,300.79 |
| 007407 | BERNELL HYDRAULICS | | |
| | Contractor Hose | 0342452-IN | 149.34 |
| | | | ----- |
| | BERNELL HYDRAULICS | \$ | 149.34 |
| 007408 | CITY RENTALS INC | | |
| | 10/25-10/29/18 Air Compressor Rental | 63170A | 507.29 |
| | 9/27-10/25/18 Air Compressor Rental | 63170 | 1,917.00 |
| | | | ----- |
| | CITY RENTALS INC | \$ | 2,424.29 |
| 007409 | DOWNS ENERGY | | |
| | 352.20 Gals Red Dyed Diesel Fuel | 0241468-IN | 1,049.50 |
| | | | ----- |
| | DOWNS ENERGY | \$ | 1,049.50 |
| 007410 | EGGLETON TRUCKING INC. | | |
| | 11/5-11/9/18-Compost Hauling | 3193 | 6,530.04 |
| | | | ----- |
| | EGGLETON TRUCKING INC. | \$ | 6,530.04 |
| 007411 | HOME DEPOT CREDIT SERVICES | | |
| | Nut Drivers, Nozzles, Thermostat, Knee Pads | 5023162 | 374.63 |
| | | | ----- |
| | HOME DEPOT CREDIT SERVICES | \$ | 374.63 |
| 007412 | MCMASTER-CARR SUPPLY CO | | |
| | Socket Adapters | 79007504 | 65.69 |
| | | | ----- |
| | MCMASTER-CARR SUPPLY CO | \$ | 65.69 |
| 007413 | R & S INDUSTRIAL FIELD SERVICE | | |
| | Replacement Belts-SCRN BC 22 | 2609 | 24,845.50 |
| | Install Belt, Tail Pulley-SCRN BC 18 | 2676 | 20,339.00 |
| | | | ----- |
| | R & S INDUSTRIAL FIELD SERVICES | \$ | 45,184.50 |
| 007414 | RDO EQUIPMENT COMPANY | | |
| | Rpr Loader-Wiper Seal | W49197 | 733.20 |
| | Rpr Loader-Brakes | W48884 | 10,564.08 |
| | Rpr Loader-4,000 Hr Service | W49201 | 5,028.39 |
| | | | ----- |
| | RDO EQUIPMENT COMPANY | \$ | 16,325.67 |
| 007415 | READY REFRESH BY NESTLE | | |
| | 10/18 Bottled Water, Cooler | 08J0029858982 | 140.58 |
| | | | ----- |
| | READY REFRESH BY NESTLE | \$ | 140.58 |
| 007416 | SOIL CONTROL LAB | | |

| Check | Payee / Description | | Amount |
|--------|--|---------------------|-----------|
| | 10/9/18 Size Distribution & Inserts-Comp | 8100388 | 48.00 |
| | 10/9/18 Finished Compost Pkg | 8100387 | 698.00 |
| | SOIL CONTROL LAB | \$ | 746.00 |
| 007417 | TIRE CENTERS WEST LLC 4-Michelin Tires f/Loaders | 8740192668 | 15,668.57 |
| | TIRE CENTERS WEST LLC | \$ | 15,668.57 |
| 007418 | VIRAMONTES EXPRESS INC 10/23/18-Compost Hauling | 111189 | 365.15 |
| | VIRAMONTES EXPRESS INC | \$ | 365.15 |
| 007419 | AEROTEK INC Yager, JM-W/E 11/3/18 25.0 Hours | OE01697978 | 739.50 |
| | AEROTEK INC | \$ | 739.50 |
| 007420 | ALLIED UNIVERSAL SECURITY SERV 11/18 Patrol Svcs | 8303732 | 683.90 |
| | ALLIED UNIVERSAL SECURITY SERV\$ | | 683.90 |
| 007421 | APPLIED INDUSTRIAL TECHNOLOGIE Torque Flex | 7014769166 | 240.76 |
| | Standard Accessories | 7014742986 | 66.79 |
| | Bearings, Ammonia Cartridges, Halfface Pie | 7014107289 | 5,888.55 |
| | Shafting Machined | 7014769179 | 823.58 |
| | Credit f/Ammonia Cartridges-Inv | 70141072 9000295211 | 47.09 |
| | Continental 60" Wide | 7014760076 | 6,804.04 |
| | APPLIED INDUSTRIAL TECHNOLOGIES\$ | | 13,776.63 |
| 007422 | BRIGHTVIEW LANDSCAPE SERVICES 11/18 Weed Control Svcs | 6011013 | 418.20 |
| | BRIGHTVIEW LANDSCAPE SERVICES \$ | | 418.20 |
| 007423 | CINTAS FIRST AID & SAFETY LOC 10/25/18 First Aid & Safety Supplies | 8403878016 | 322.74 |
| | CINTAS FIRST AID & SAFETY LOC\$ | | 322.74 |
| 007424 | COUNTY SANITATION DISTRICTS OF 9/18 Prjct Adm Lbr/Bnfts | 21379 | 759.99 |
| | COUNTY SANITATION DISTRICTS OF\$ | | 759.99 |
| 007425 | CUCAMONGA VALLEY WATER DISTRIC 9/16/18-11/14/18 12645 6th St-Lndscp | 60386 11/18 | 329.63 |
| | 9/16/18-11/14/18 12645 6th St-Lndscp | 60388 11/18 | 291.31 |
| | CUCAMONGA VALLEY WATER DISTRIC\$ | | 620.94 |
| 007426 | DAVID WHEELER'S PEST CONTROL, 10/18 Pest Control | 38618 | 31.00 |

| Check | Payee / Description | | Amount |
|--------|---|--|---------------------------|
| | DAVID WHEELER'S PEST CONTROL, \$ | | 31.00 |
| 007427 | DOWNS ENERGY 4,318.70 Gals Red Dyed Diesel Fuel | 0242236-IN | 12,498.33 |
| | DOWNS ENERGY | \$ | 12,498.33 |
| 007428 | EGGLETON TRUCKING INC. 11/12-11/16/18-Compost Hauling | 3194 | 15,130.17 |
| | EGGLETON TRUCKING INC. | \$ | 15,130.17 |
| 007429 | GENESIS CONSTRUCTION Modify Air Duct ACTV SF-5 | 18-010-M11 | 19,644.00 |
| | GENESIS CONSTRUCTION | \$ | 19,644.00 |
| 007430 | GRAINGER Disposable Gloves, Batteries Barricade Tapes Half Mask Respirators, Filters | 9957932131 9950169517 9955934410 | 646.08 33.79 885.83 |
| | GRAINGER | \$ | 1,565.70 |
| 007431 | KONICA MINOLTA BUSINESS SOLUTI 10/18 Cpr Ovrgr, Mnt-C452 | 9005101357 | 103.16 |
| | KONICA MINOLTA BUSINESS SOLUTI\$ | | 103.16 |
| 007432 | MODULAR BUILDING CONCEPTS INC 11/18 Trailer/Step/Ramp Rental | 199992 | 588.31 |
| | MODULAR BUILDING CONCEPTS INC | \$ | 588.31 |
| 007433 | MOTION INDUSTRIES INC Flat Pneumatic Slide Gate | CA18-597204 | 10,786.76 |
| | MOTION INDUSTRIES INC | \$ | 10,786.76 |
| 007434 | PETE'S ROAD SERVICE Flat Repair | 276651-00 | 740.36 |
| | PETE'S ROAD SERVICE | \$ | 740.36 |
| 007435 | PETTY CASH EXPENDITURES 11/26/18 Petty Cash Reim | PC 112618 | 65.38 |
| | PETTY CASH EXPENDITURES | \$ | 65.38 |
| 007436 | PRIORITY BUILDING SERVICES LLC 10/18 Janitorial Service Fee | 61029 | 1,129.43 |
| | PRIORITY BUILDING SERVICES LLC\$ | | 1,129.43 |
| 007437 | R & S INDUSTRIAL FIELD SERVICE Turn Shaft f/Bearings Rebuild Fan-CURG SF5 | 2671 2672 | 588.00 24,949.00 |
| | R & S INDUSTRIAL FIELD SERVICE\$ | | 25,537.00 |

Check Payee / Description Amount

| | | | |
|--------|--|---------------|-----------|
| 007438 | VERIZON WIRELESS 10/11/18-11/10/18 Cell Phone | 9818135968 11 | 602.47 |
| | VERIZON WIRELESS | \$ | 602.47 |
| 007439 | VIRAMONTES EXPRESS INC 10/30/18-Compost Hauling | 111339 | 1,268.76 |
| | 10/24-10/29/18-Compost Hauling | 111295 | 3,077.07 |
| | VIRAMONTES EXPRESS INC | \$ | 4,345.83 |
| 007440 | W M LYLES COMPANY RA19002-10/18 Pay Est 2 | PE 2-RA19002 | 42,750.00 |
| | W M LYLES COMPANY | \$ | 42,750.00 |
| 007441 | VALLEY COLLISION CENTER Repair Emp Auto Damage | 41959 | 1,981.77 |
| | VALLEY COLLISION CENTER | \$ | 1,981.77 |
| 007442 | AEROTEK INC Yager, JM-W/E 11/10/18 40.0 Hours | OE01701868 | 1,160.00 |
| | AEROTEK INC | \$ | 1,160.00 |
| 007443 | APPLIED INDUSTRIAL TECHNOLOGIE Bearings | 7013672907 | 1,281.32 |
| | Air Filter | 7014810923 | 25.03 |
| | Coupling Chain, Sprocket | 7014798944 | 408.87 |
| | Sprocket | 7014798909 | 112.03 |
| | Secondary Scraper Tip Kits | 7014811259 | 908.88 |
| | Filters | 7014811393 | 244.16 |
| | Filters | 7014811133 | 244.16 |
| | Filters | 7014811089 | 244.16 |
| | Dodge SPWR | 7014810965 | 518.19 |
| | Imperial Bearings | 7014810939 | 2,112.63 |
| | Bearings | 7014843436 | 3,235.17 |
| | Bearings, Roller Bearings | 7014843421 | 2,551.13 |
| | Belt Splice, Hinge Pins | 7014843423 | 498.56 |
| | Bearings | 7014843435 | 4,892.60 |
| | Bearing | 7014843420 | 790.31 |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ | 18,067.20 |
| 007444 | CERTIFIED LABORATORIES Premalube w/Metal Liner, Premalube Fiber | 3323405 | 2,310.05 |
| | CERTIFIED LABORATORIES | \$ | 2,310.05 |
| 007445 | CUCAMONGA VALLEY WATER DISTRIC 9/28/18-11/27/18 12645 6th St-FrLn | 60392 12/18 | 92.00 |
| | 9/28/18-11/27/18 12645 6th St-FrLn | 60390 12/18 | 92.00 |
| | CUCAMONGA VALLEY WATER DISTRIC | \$ | 184.00 |
| 007446 | DAVID WHEELER'S PEST CONTROL, 11/18 Rodent Control-Operations | 38525 | 260.00 |

| Check | Payee / Description | | Amount |
|--------|-------------------------------------|------------|-----------|
| | 11/18 Rat Control-Maintance Area | 38527 | 260.00 |
| | 11/18 Gopher Control | 39152 | 200.00 |
| | 11/18 Rodent Control-Admin Building | 38523 | 260.00 |
| | DAVID WHEELER'S PEST CONTROL, \$ | | 980.00 |
| 007447 | OWNS ENERGY | | |
| | 530.60 Gals Red Dyed Diesel Fuel | 0242245-IN | 1,496.67 |
| | OWNS ENERGY | \$ | 1,496.67 |
| 007448 | EGGLETON TRUCKING INC. | | |
| | 11/19-11/21/18-Compost Hauling | 3195 | 7,796.25 |
| | EGGLETON TRUCKING INC. | \$ | 7,796.25 |
| 007449 | GRAINGER | | |
| | Disposable Gloves,Batteries | 9959043093 | 330.83 |
| | Coated Gloves | 9955101952 | 79.38 |
| | Thread Sealant | 9959043101 | 20.51 |
| | GRAINGER | \$ | 430.72 |
| 007450 | R & S INDUSTRIAL FIELD SERVICE | | |
| | Rebuild Fan-Curing SF3 | 2681 | 24,949.00 |
| | Replace Belt-SCRN Hop BC23 | 2686 | 8,639.00 |
| | R & S INDUSTRIAL FIELD SERVICES | \$ | 33,588.00 |
| 007451 | RDO EQUIPMENT COMPANY | | |
| | Floodlamp | P01500 | 604.38 |
| | Fuel Sende | P01765 | 209.85 |
| | 55 Gals Pre Mix | P01822 | 794.82 |
| | RDO EQUIPMENT COMPANY | \$ | 1,609.05 |
| 007452 | TIRE CENTERS WEST LLC | | |
| | 4-Michelin Tires f/Loaders | 8740192864 | 10,390.55 |
| | TIRE CENTERS WEST LLC | \$ | 10,390.55 |
| 007453 | VIRAMONTES EXPRESS INC | | |
| | 11/5/18-Compost Hauling | 111407 | 1,329.80 |
| | VIRAMONTES EXPRESS INC | \$ | 1,329.80 |
| 007454 | AEROTEK INC | | |
| | Yager, JM-W/E 11/17/18 40.0 Hours | OE01705586 | 1,160.00 |
| | AEROTEK INC | \$ | 1,160.00 |
| 007455 | ALTA FOODCRAFT COFFEE | | |
| | Coffee | 51822774 | 62.44 |
| | ALTA FOODCRAFT COFFEE | \$ | 62.44 |
| 007456 | APPLIED INDUSTRIAL TECHNOLOGIE | | |
| | Air Filters | 7014386309 | 181.47 |
| | Bolt Hinged Fastners | 7014897758 | 4,018.85 |

| Check | Payee / Description | | Amount |
|--------|---|--|--|
| | Bearings | 7014864827 | 4,367.38 |
| | Bearing | 7014875815 | 244.16 |
| | Motor Sheaves, Fan Sheaves, Air Filters | 7014875741 | 536.79 |
| | Bearings | 7014858863 | 2,112.62 |
| | Chain, Quick Link | 7014858889 | 2,042.51 |
| | Bearings | 7014864825 | 2,439.13 |
| | Bearings | 7014892709 | 1,033.35 |
| | Bearings | 7014864826 | 1,078.39 |
| | Bearings | 7014858913 | 3,465.64 |
| | | | ----- |
| | APPLIED INDUSTRIAL TECHNOLOGIES | | 21,520.29 |
| 007457 | BURRTEC WASTE INDUSTRIES INC 12/18 Trash Service | N2110123319 | 1,024.92 |
| | | | ----- |
| | BURRTEC WASTE INDUSTRIES INC | \$ | 1,024.92 |
| 007458 | EGGLETON TRUCKING INC. 11/26-11/28/18-Compost Hauling | 3196 | 5,868.72 |
| | | | ----- |
| | EGGLETON TRUCKING INC. | \$ | 5,868.72 |
| 007459 | GENESIS CONSTRUCTION Modify Soffit-ACTV BC 12 Modify Duct-ACTV SF 8 Install BH 2 Slide Gate | 18-010-M11-9 18-010-M11-8 18-010-M11-6 | 22,128.00 19,644.00 12,896.00 |
| | | | ----- |
| | GENESIS CONSTRUCTION | \$ | 54,668.00 |
| 007460 | GRAINGER Pails/Lids | 9010196047 | 90.02 |
| | | | ----- |
| | GRAINGER | \$ | 90.02 |
| 007461 | HOME DEPOT CREDIT SERVICES Manure Fork, Batteries, Brooms, Putty Knife Blinds f/Conference Room | 5010840 6888748 | 167.97 211.15 |
| | | | ----- |
| | HOME DEPOT CREDIT SERVICES | \$ | 379.12 |
| 007462 | LUBRA TECH Hose Couplings, Adapter, Swivel | 14413 | 93.51 |
| | | | ----- |
| | LUBRA TECH | \$ | 93.51 |
| 007463 | RDO EQUIPMENT COMPANY Rpr Loader-Engine Install Rpr Loader-Stick Steer Switch Broken Rpr Loader-Oil Leak Rpr Loader-Hydraulic Diagnostics | W49073 W49896 W49882 W48049 | 8,649.01 104.31 918.85 665.00 |
| | | | ----- |
| | RDO EQUIPMENT COMPANY | \$ | 10,337.17 |
| 007464 | VIRAMONTES EXPRESS INC 2/6/18 945 Cyd BioFiler Media 10/18/18 3,804 Cyd BioFiler Media 11/7-11/9/18-Compost Hauling | 108881 111074 111486 | 16,657.79 66,569.95 3,105.41 |
| | | | ----- |
| | VIRAMONTES EXPRESS INC | \$ | 86,333.15 |

| Check | Payee / Description | | Amount |
|--------|--|-------------------------------|---------------------------------|
| 007465 | AEROTEK INC Yager, JM-W/E 12/1/18 31.0 Hours Yager, JM-W/E 11/24/18 40.0 Hours | OE01713069 OE01709307 | 899.00 1,160.00 ----- |
| | AEROTEK INC | \$ | 2,059.00 |
| 007466 | APPLIED INDUSTRIAL TECHNOLOGIE Bearings | 7014928369 | 1,272.54 ----- |
| | APPLIED INDUSTRIAL TECHNOLOGIES | \$ | 1,272.54 |
| 007467 | BRIGHTVIEW LANDSCAPE SERVICES 12/18 Weed Control Svcs | 6056877 | 418.20 ----- |
| | BRIGHTVIEW LANDSCAPE SERVICES | \$ | 418.20 |
| 007468 | BS&B PRESSURE SAFETY MANAGEMEN 1/15/16 Annual Suppression Sys Inspectio | 0014445-IN | 1,557.55 ----- |
| | BS&B PRESSURE SAFETY MANAGEMEN | \$ | 1,557.55 |
| 007469 | CERTIFIED LABORATORIES Premalube | 3355928 | 939.23 ----- |
| | CERTIFIED LABORATORIES | \$ | 939.23 |
| 007470 | CINTAS FIRST AID & SAFETY LOC 11/21/18 First Aid & Safety Supplies | 8403924285 | 310.78 ----- |
| | CINTAS FIRST AID & SAFETY LOC | \$ | 310.78 |
| 007471 | COUNTY SANITATION DISTRICTS OF 10/18 Prjct Adm Lbr/Bnfts | 21980 | 2,605.35 ----- |
| | COUNTY SANITATION DISTRICTS OF | \$ | 2,605.35 |
| 007472 | DAVID WHEELER'S PEST CONTROL, 11/18 Pest Control | 39145 | 31.00 ----- |
| | DAVID WHEELER'S PEST CONTROL, | \$ | 31.00 |
| 007473 | DOWNS ENERGY 3,500.0 Gals Red Dyed Diesel Fuel | 0242824-IN | 6,104.98 ----- |
| | DOWNS ENERGY | \$ | 6,104.98 |
| 007474 | EGGLETON TRUCKING INC. 12/12-12/14/18-Compost Hauling | 3197 | 8,078.40 ----- |
| | EGGLETON TRUCKING INC. | \$ | 8,078.40 |
| 007475 | GENESIS CONSTRUCTION Modify Duct-CURG SF 5 Install BH 3 Slide Gate | 18-010-M11-12 18-010-M11-7 | 19,644.00 12,896.00 ----- |
| | GENESIS CONSTRUCTION | \$ | 32,540.00 |
| 007476 | INDUSTRIAL SUPPLY CO | | |

| Check | Payee / Description | | Amount |
|--------|--|--|---|
| | Nuts,Bolts,Screws | 98942 | 101.12 |
| | INDUSTRIAL SUPPLY CO | \$ | 101.12 |
| 007477 | INTERSTATE BATTERY SYSTEM MTP-24 | 150022748 | 144.91 |
| | INTERSTATE BATTERY SYSTEM | \$ | 144.91 |
| 007478 | KONICA MINOLTA BUSINESS SOLUTI 11/18 Cpr Ovrgr,Mnt-C454e 11/18 Cpr Ovrgr,Mnt-C452 | 9005136622 9005191727 | 5.68 315.93 |
| | KONICA MINOLTA BUSINESS SOLUTI\$ | | 321.61 |
| 007479 | MODULAR BUILDING CONCEPTS INC 12/18 Trailer/Step/Ramp Rental | 200283 | 588.31 |
| | MODULAR BUILDING CONCEPTS INC | \$ | 588.31 |
| 007480 | PATTON SALES CORP HR Plate,Strips,Flame Cut Disk,BFlex Quikee,Angle Grinder | 3658119 3655571 | 655.68 380.58 |
| | PATTON SALES CORP | \$ | 1,036.26 |
| 007481 | PETE'S ROAD SERVICE CCA 12V Battery CCA Battery Cart Tires | 283664-00 283242-00 280865-00 | 113.96 184.67 565.25 |
| | PETE'S ROAD SERVICE | \$ | 863.88 |
| 007482 | PRIORITY BUILDING SERVICES LLC 11/18 Janitorial Service Fee | 61382 | 1,129.43 |
| | PRIORITY BUILDING SERVICES LLC\$ | | 1,129.43 |
| 007483 | R & S INDUSTRIAL FIELD SERVICE Rebuild ACTV SF 7 Rebuild ACTV SF 6 Rebuild CURG SF 1 Rebuild Fan ACT SF 4 Rebuild ACTV SF 9 | 2689 2691 2693 2690 2692 | 25,987.00 25,987.00 25,987.00 25,987.00 25,987.00 |
| | R & S INDUSTRIAL FIELD SERVICE\$ | | 129,935.00 |
| 007484 | RDO EQUIPMENT COMPANY Starter Pulley,V-Belt Compressor Valve Rpr Loader-A/C Diagnostics Switch | P03147 P03146 P04323 W49997 P03278 | 739.31 256.68 310.94 474.35 52.45 |
| | RDO EQUIPMENT COMPANY | \$ | 1,833.73 |
| 007485 | READY REFRESH BY NESTLE 11/18 Bottled Water,Cooler | 08K0029858982 | 139.17 |

| Check | Payee / Description | Amount |
|--------|--|-----------|
| | READY REFRESH BY NESTLE \$ | 139.17 |
| 007486 | SOIL CONTROL LAB | |
| | 11/7/18 Finished Compost Pkg 8110234 | 349.00 |
| | 11/7/18 Size Distribution & Inserts-Comp 8110235 | 48.00 |
| | SOIL CONTROL LAB \$ | 397.00 |
| 007487 | U S BANK | |
| | *4246044555725724 11/18 Credit Card Chgs 5572 5724 11/ | 2,937.95 |
| | U S BANK \$ | 2,937.95 |
| 007488 | VERIZON WIRELESS | |
| | 11/11/18-12/10/18 Cell Phone 9820045910 12 | 754.81 |
| | VERIZON WIRELESS \$ | 754.81 |
| 007489 | VIRAMONTES EXPRESS INC | |
| | 11/26/18-Compost Hauling 111670 | 365.15 |
| | 11/21/18-Compost Hauling 111565 | 904.70 |
| | 11/16-11/20/18-Compost Hauling 111556 | 1,649.17 |
| | VIRAMONTES EXPRESS INC \$ | 2,919.02 |
| 007490 | W A RASIC CONSTRUCTION CO INC | |
| | RA19101-Roll Up Door Install/Modificatio 341110 | 97,800.00 |
| | W A RASIC CONSTRUCTION CO INC \$ | 97,800.00 |
| ACH | INLAND EMPIRE UTILITIES AGENCY | |
| | 4/18-6/18 Chemical Oxygen Demand Charges 90022649 | 6,302.42 |
| | INLAND EMPIRE UTILITIES AGENCY \$ | 6,302.42 |
| ACH | WAXIE SANITARY SUPPLY | |
| | Towels, Toilet Paper, Glass Cleaner, Seat C 77708063 | 708.47 |
| | WAXIE SANITARY SUPPLY \$ | 708.47 |
| ACH | PALM AUTO DETAIL INC | |
| | 9/18 Carwash for RCA Vehicles 18999-1 | 430.68 |
| | PALM AUTO DETAIL INC \$ | 430.68 |
| ACH | AMAZON BUSINESS | |
| | EZ-Up Shelter 17CJ-CLJN-XCT | 147.74 |
| | AMAZON BUSINESS \$ | 147.74 |
| ACH | SOLAR STAR CALIFORNIA VI LLC | |
| | 8/18 Solar 12811 Sixth St M0612-2241420 | 23,181.17 |
| | SOLAR STAR CALIFORNIA VI LLC \$ | 23,181.17 |
| ACH | AMAZON BUSINESS | |
| | Car Fuses, ATC/ATO Blades, Solder Wire Con 1RRT-TGL9-GXY | 248.19 |
| | AMAZON BUSINESS \$ | 248.19 |

Check Payee / Description Amount

| | | | |
|-----|--|---------------|------------|
| ACH | INLAND EMPIRE UTILITIES AGENCY | | |
| | 8/18 Bldg Lease Pymt | 90022756 | 6,235.81 |
| | 7/17-6/18 NRWSCU Exceedance Chgs | 1800003980 | 1,137.23 |
| | 8/18 NRW Charges | 90022890 | 3,549.66 |
| | 7/18 Bldg Lease Pymt | 90022755 | 6,235.81 |
| | | | - - - - - |
| | INLAND EMPIRE UTILITIES AGENCY\$ | | 17,158.51 |
| ACH | PEST OPTIONS INC | | |
| | 9/18 Weed Control Svcs | 308486 | 95.00 |
| | | | - - - - - |
| | PEST OPTIONS INC | \$ | 95.00 |
| ACH | TRIBOLOGIK CORPORATION | | |
| | 9/20/18 Oil Analysis | 49332 | 300.00 |
| | | | - - - - - |
| | TRIBOLOGIK CORPORATION | \$ | 300.00 |
| ACH | AMAZON BUSINESS | | |
| | Liftmaster Remote Control | 1NDV-Y761-JH1 | 29.86 |
| | | | - - - - - |
| | AMAZON BUSINESS | \$ | 29.86 |
| ACH | Inland Empire Utilities Agency | | |
| | 8/18 Labor Expenses | SAP0818-RCAL& | 345,112.21 |
| | 8/18 O&M Expenses | SAP0818-RCAO& | 117,658.47 |
| | | | - - - - - |
| | Inland Empire Utilities Agency\$ | | 462,770.68 |
| ACH | INLAND EMPIRE UTILITIES AGENCY | | |
| | 4/18-8/18 Bldg Lease Pymt Adjustment | 90022811 | 2,324.95 |
| | 4/17-3/18 Bldg Lease Pymt Adjustment | 90022810 | 5,228.21 |
| | 4/13-3/14 Bldg Lease Pymt Adjustment | 90022806 | 628.66 |
| | 4/14-3/15 Bldg Lease Pymt Adjustment | 90022807 | 1,608.75 |
| | 4/15-3/16 Bldg Lease Pymt Adjustment | 90022808 | 1,935.63 |
| | 4/16-3/17 Bldg Lease Pymt Adjustment | 90022809 | 3,321.45 |
| | | | - - - - - |
| | INLAND EMPIRE UTILITIES AGENCY\$ | | 15,047.65 |
| ACH | AMAZON BUSINESS | | |
| | Self-Dumping Hopper w/Bump Release | 14PX-NKJ3-KYV | 2,510.59 |
| | | | - - - - - |
| | AMAZON BUSINESS | \$ | 2,510.59 |
| ACH | WAXIE SANITARY SUPPLY | | |
| | Towels, Toilet Paper, Tissue, Lotion, Shampo | 77798767 | 744.57 |
| | | | - - - - - |
| | WAXIE SANITARY SUPPLY | \$ | 744.57 |
| ACH | PALM AUTO DETAIL INC | | |
| | 10/18 Carwash for RCA Vehicles | 181099-1 | 538.35 |
| | | | - - - - - |
| | PALM AUTO DETAIL INC | \$ | 538.35 |
| ACH | SOLAR STAR CALIFORNIA VI LLC | | |
| | 9/18 Solar 12811 Sixth St | E02M0612-2297 | 20,597.35 |
| | | | - - - - - |
| | SOLAR STAR CALIFORNIA VI LLC | \$ | 20,597.35 |

| Check | Payee / Description | | Amount |
|-------|--|---------------|------------|
| ACH | INLAND EMPIRE UTILITIES AGENCY 9/18 NRW Charges | 90023027 | 3,453.08 |
| | INLAND EMPIRE UTILITIES AGENCY\$ | | 3,453.08 |
| ACH | WAXIE SANITARY SUPPLY Body/Hair Shampoo | 77804886 | 230.61 |
| | WAXIE SANITARY SUPPLY \$ | | 230.61 |
| ACH | AMAZON BUSINESS Electronic Bird Repeller | 1F4T-M61C-P49 | 148.00 |
| | AMAZON BUSINESS \$ | | 148.00 |
| ACH | PEST OPTIONS INC 10/18 Weed Control Svcs | 310840 | 95.00 |
| | PEST OPTIONS INC \$ | | 95.00 |
| ACH | TRIBOLOGIK CORPORATION 10/22/18 Oil Analysis | 50245 | 420.00 |
| | TRIBOLOGIK CORPORATION \$ | | 420.00 |
| ACH | AMAZON BUSINESS Air Brake Tubing | 1GKG-H4C9-X3Y | 12.50 |
| | AMAZON BUSINESS \$ | | 12.50 |
| ACH | Inland Empire Utilities Agency 9/18 Labor Expenses | SAP0918-RCAL& | 301,980.28 |
| | 9/18 O&M Expenses | SAP0918-RCAO& | 98,668.75 |
| | Inland Empire Utilities Agency\$ | | 400,649.03 |
| ACH | AMAZON BUSINESS Bug Zapper Replacement Tube | 1V96-9HR3-MKX | 50.80 |
| | AMAZON BUSINESS \$ | | 50.80 |
| ACH | WAXIE SANITARY SUPPLY Cups, Towels, Degreaser, Paper Towels, Hand | 77852360 | 1,295.63 |
| | WAXIE SANITARY SUPPLY \$ | | 1,295.63 |
| ACH | PALM AUTO DETAIL INC 11/18 Carwash for RCA Vehicles | 181199-1 | 430.68 |
| | PALM AUTO DETAIL INC \$ | | 430.68 |
| ACH | TRIBOLOGIK CORPORATION 11/09/18 Oil Analysis | 50891 | 480.00 |
| | TRIBOLOGIK CORPORATION \$ | | 480.00 |
| ACH | AMAZON BUSINESS Silicone Tubing, Brake Pipe Line | 14NR-W741-7VX | 39.53 |

| Check | Payee / Description | | Amount |
|-------|--|---------------|-----------|
| | AMAZON BUSINESS | \$ | 39.53 |
| ACH | INLAND EMPIRE UTILITIES AGENCY | | |
| | 10/18 Bldg Lease Pymt | 90023116 | 6,379.32 |
| | 7/18-9/18 Chemical Oxygen Demand Charges | 90023177 | 5,974.48 |
| | INLAND EMPIRE UTILITIES AGENCY\$ | | 12,353.80 |
| ACH | TRIBOLOGIK CORPORATION | | |
| | 10/26/18 Oil Analysis | 50428 | 60.00 |
| | TRIBOLOGIK CORPORATION | \$ | 60.00 |
| ACH | AMAZON BUSINESS | | |
| | Ceramic Space Heater | 1KD1-TFF-6PTC | 39.99 |
| | Zest Bar Soap | 1X3Q-GCMX-99R | 70.76 |
| | Steel Sieves, Push Pins, Stapler | 19R9-W9YQ-MY4 | 233.78 |
| | AMAZON BUSINESS | \$ | 344.53 |
| ACH | INLAND EMPIRE UTILITIES AGENCY | | |
| | 10/18 NRW Charges | 90023238 | 3,510.86 |
| | INLAND EMPIRE UTILITIES AGENCY\$ | | 3,510.86 |
| ACH | PEST OPTIONS INC | | |
| | 11/18 Weed Control Svcs | 313705 | 95.00 |
| | PEST OPTIONS INC | \$ | 95.00 |
| ACH | TRIBOLOGIK CORPORATION | | |
| | 11/23/18 Oil Analysis | 51281 | 690.00 |
| | TRIBOLOGIK CORPORATION | \$ | 690.00 |
| ACH | CONSOLIDATED STORAGE COMPANIES | | |
| | Racks, Dividers, Anchors | 275650 RI | 3,141.09 |
| | CONSOLIDATED STORAGE COMPANIES\$ | | 3,141.09 |
| Wire | STATE BOARD OF EQUALIZATION | | |
| | 7/1/18-9/30/18 State Sales/Use Tax-3rd Q | 101-112048 9/ | 2,746.00 |
| | STATE BOARD OF EQUALIZATION | \$ | 2,746.00 |

Grand Total Payment Amount: \$ 2,286,367.36

**ACTION
ITEM**

3A



Date: February 4, 2019
To: Honorable Board of Directors
From: Christina Valencia
Treasurer
Subject: Annual Financial Report for the Fiscal Year Ended June 30, 2018

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, 2018, 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, 2018 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 Internal. A copy of their report is attached.

FY 2017/18 Financial Highlights

Total revenue in FY 2017/18 reflects a slight increase from \$8.6 million to \$8.8 million reported in the prior fiscal year. The higher revenues is primarily due to an increase in the tipping fee from \$55 to \$56 per wet ton.

Total expenses of \$10.7 million reported an increase of \$0.7 million compared to last fiscal year primarily due to higher operating expenses of \$0.4 million and depreciation of \$0.3 million.

The total ending net position decreased by \$1.9 million to \$87.1 million as of June 30, 2018, of which approximately \$82.2 million has been invested in capital assets. The remaining \$4.9 million is working capital designated to support 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 2017/18.

PRIOR BOARD ACTION

The Board approved the budget for FY 2017/18 in February 2018.

IMPACT ON BUDGET

None.

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018



A REGIONAL, COST-EFFECTIVE APPROACH TO SUSTAINABLE
ORGANICS MANAGEMENT

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED
JUNE 30, 2018

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, 2018

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Financial Section

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INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY LOCATION

Los Angeles County

San Bernardino County

IEUA Service Area



Upland

Rancho Cucamonga

IERCA

Montclair

Ontario

Chino

Chino Hills

Riverside County

Orange County



Prepared by IEUA/Date Created: 01/25/2017



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 04, 2019

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, 2018. 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 Sanitation District No. 2 of Los Angeles County (SDLAC) 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, and 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.



Succulent flower

The facility is staffed by twenty-five full-time IEUA employees, and one part time employee from SDLAC. The employees are onsite five days per week, 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.

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 a Power Purchase Agreement (PPA) with Sunpower, Inc. in 2010 for the installation of 1 megawatt of solar panels on the rooftop of the facility. The solar panel system is currently providing about half of the facility's required electrical power during operating hours.



MAJOR INITIATIVES and ACCOMPLISHMENTS

During the fiscal year ended June 30, 2018, the IERCF surpassed 2 million tons of biosolids and amendments processed into compost. Compost sales staff focused on increasing revenue and finding best value for SoilPro while expanding compost markets. The agricultural market continues to provide the largest opportunities prompting staff to work closely with new and existing customers. 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. IERCF sales staff continues to monitor market conditions to ensure the best value for our compost.

There are over 100 active customers who purchase SoilPro products for a variety of applications each year. The customer base comprises of 65% landscape markets and 30% agriculture with 5% going to the "Give Back" program. The "Give Back" program was initiated in the fall of 2013 and offers SoilPro composts at no cost charge to cities and municipalities affiliated with IEUA and CSDLAC, IERCF continues to see positive results from the program.

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 (will call) | <499 | \$5.00 |
| 2 | 500-999 | \$4.00 |
| 3 | ≥1,000 | \$3.50 |

Major Initiatives for FY 2018/2019

In fiscal year 2018/2019, the facility expects to commission an expanded renewal energy project which includes the addition of 1.4 megawatts of solar panels connected to a battery storage system. The facility also expects to commission the new trommel screen project. Staff had zero loss time incidents, perfect environmental compliance, and met all budgeted targets.

Additional initiatives include:

- Installation of a weather cover over the wash pad for loader maintenance
- Completion of transition air duct engineering
- Completion of biofilter media replenishment

Major Accomplishments for FY 2017/2018

- Set up a new warehouse on site and initiated a parts management system increasing the efficiency of the maintenance program;
- Completed a ventilation improvement project delivering fresh-air and improving the facility's air quality;
- Completed a loader refurbishment project significantly extending the life of an existing loader at a much lower cost than replacement.



Refurbished Loader at IERCF Warehouse

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, 2018 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, 2018 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 an 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 accurately, and to invest idle funds to the fullest extent possible. During the Fiscal Year ended June 30, 2018, 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.*

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.

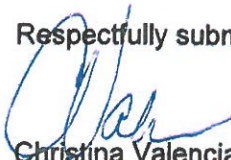
February 04, 2018
To the Chairperson and Members of
The Board of The Inland Empire Regional Composting Authority

FINANCIAL INFORMATION (continued):

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, Treasurer

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Principal Officials

June 30, 2018

BOARD OF DIRECTORS

Jon Blickenstaff, *Chairperson*
Jasmin A. Hall, *Vice-Chairperson*
Grace Robinson Hyde, *Director*
Margaret Finlay, *Director*
Paul Hofer, *Director*
Halla Razak, *Director*

OFFICERS OF THE AUTHORITY

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

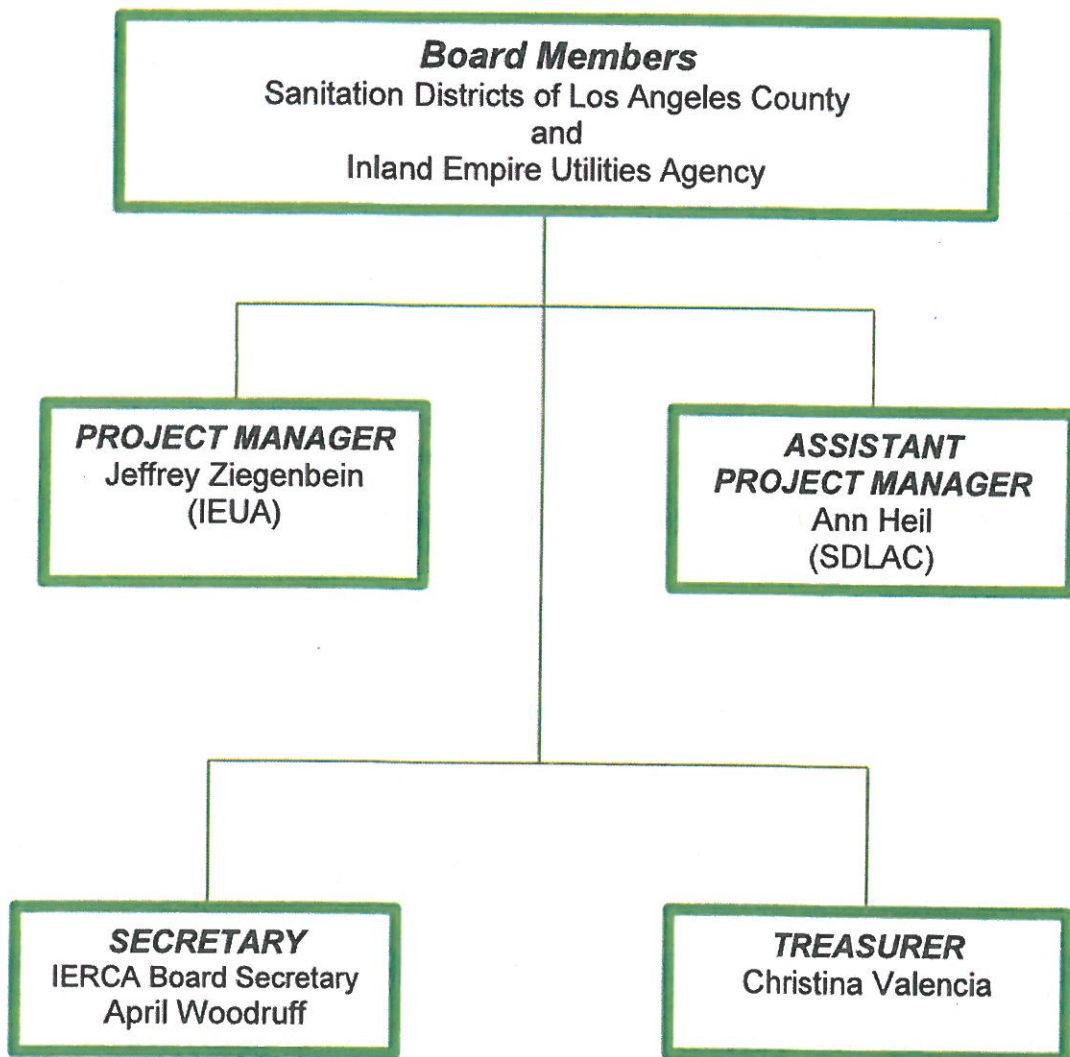
LEGAL COUNSEL

JC Law Firm
Jean Cihigoyenatche, APC
Chino Hills, California

Inland Empire Regional Composting Authority

Organizational Chart

June 30, 2018





Poster artwork by Evan Clark of Los Angeles, California

Winner of U.S. Composting Council's 2019 International Composting Awareness Week Poster Contest



January 28, 2019

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

We have audited the financial statements of the Inland Empire Regional Composting Authority (the Authority) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 1, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2017-2018.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.



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

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 28, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2017-2018 audit:

GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.

GASB Statement No. 81, Irrevocable Split Interest Agreements.

GASB Statement No. 85, Omnibus 2017.

GASB Statement No. 86, Certain Debt Extinguishment Issues.



CPAs AND ADVISORS

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

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2018-2019

GASB Statement No. 83, *Certain Assets Retirement Obligations*.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

Fiscal year 2019-2020

GASB Statement No. 84, *Fiduciary Activities*.

Fiscal year 2020-2021

GASB Statement No. 87, *Leases*.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Inland Empire Regional Composting Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California

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, 2018. 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.

The 445,275-square foot composting facility is a fully enclosed biosolids processing plant that processes approximately 144,000 tons of biosolids and 54,000 tons of wood and green waste into 232,000 cubic yards (81,000 tons) of high quality compost.

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 2017/2018, a total of 187,427 tons of feedstock, equal to 90% of permitted capacity, was received by the facility.

As of June 30, 2018, the IERCF had sold 2.35 million cubic yards of high-quality compost to various customers in Southern California, Arizona, and Nevada and processed nearly 2.1 million tons of recycled materials.



John Anderson – Acorn tree plague

For comparison, 2.35 million cubic yards can:

- ✿ Fill the Rose Bowl, in Pasadena, CA to the top 6 times
- ✿ Load 46,000 semi-trucks
- ✿ Increase soil health and water retention for 80,500 football fields

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

Throughout the last ten 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. As of June 30, 2018, the IERCF has logged 2,670 days without a lost-time incident exceeding six years.

Projects such as the IERCF Capital Improvement Project, IERCF Amendment Hopper #2 Overhaul Project, IERCF Lighting Improvement Project, and IERCF Fire Sprinkler Replacement Project were completed in FY2017/2018. The projects improved safety and efficiency in areas such as:

- Repair, replace, improve, and upgrade IERCF and equipment immediately as needed, to keep them in the best condition and give employees a safe work environment.
- Amendment Hopper Overhaul included the installation of new floor and augers with hardened steel to increase useful life of the asset.
- Installation of new floor and augers with hardened steel to increase useful life of the asset of the Amendment Hopper #2.
- Lighting improvement replacing older lights with LED lights to reduce energy and operating costs.
- Removed corroded black piping on the fire sprinkler system and replaced with stainless steel to increase reliability and improve safety.

Future Goals

Over the next year, outreach efforts will continue to expand through, increased consulting on IEUA's Garden in Every School program, attending local agriculture shows, and giving tours and talks about the IERCF. IERCF will remain a leader in outreach and education stressing the importance of healthy soils and the vital role compost plays in water conservation and groundwater protection.

The sales team remains committed to promoting the many advantages of SoilPro, including increased water savings, ability to sequester carbon, and the use in correcting unproductive soils through healthy and natural processes. IERCF sales staff continues to monitor market conditions to ensure the best value for our compost products.

Basic Financial Statements

The basic financial statements present a summary of the Authority's financial position as of June 30, 2018. 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 end June 30, 2018 reflects the eleventh year of operations for the IERCF. Total operating revenues were \$8,747,021, a 2.6% increase from prior year, while total operating expenses increased by 5% as compared to the prior year for a total of \$10,553,419, which included \$3,052,675 of depreciation and amortization expense on capitalized assets.

FINANCIAL HIGHLIGHTS

| | FY2017/18 | FY2016/17 | Increase (Decrease) from FY2016/17 | |
|---|---------------------|---------------------|---|-----------------|
| Current assets | \$6,620,009 | \$5,782,691 | \$837,318 | 14.48% |
| Capital & Intangible assets | 82,204,106 | 84,418,376 | (2,214,270) | -2.62% |
| Total Assets | 88,824,115 | 90,201,067 | (1,376,952) | -1.53% |
| Current liabilities | 1,753,048 | 1,225,648 | 527,400 | 43.03% |
| Total Liabilities | 1,753,048 | 1,225,648 | 527,400 | 43.03% |
| Net investment in capital assets | 82,204,106 | 84,418,376 | (2,214,270) | -2.62% |
| Unrestricted | 4,866,961 | 4,557,043 | 309,918 | 6.80% |
| Total net position | \$87,071,067 | \$88,975,419 | (\$1,904,352) | -2.14% |
| Operating revenues | \$8,747,021 | \$8,522,688 | 224,333 | 2.63% |
| Operating expenses | (10,553,419) | (10,038,004) | (515,415) | 5.13% |
| Net operating income (loss) | (1,806,398) | (1,515,316) | (291,082) | 19.21% |
| Other Non-operating revenues | 23,933 | 43,757 | (19,824) | -45.30% |
| Other Non-operating expenses | (121,887) | (3,500) | (118,387) | 3382.49% |
| Net nonoperating revenues (expenses) | (97,954) | 40,257 | (138,211) | -343.32% |
| Net income (loss) before capital contributions | (1,904,352) | (1,475,059) | (429,293) | 29.10% |
| Capital Grant | 0 | 10,070 | (10,070) | 0.00% |
| Total change in net position | (1,904,352) | (1,464,989) | (439,363) | 29.99% |
| Total net position-beginning | 88,975,419 | 90,440,408 | (1,464,989) | -1.62% |
| Total net position- ending | \$87,071,067 | \$88,975,419 | (\$1,904,352) | -2.14% |

Changes in Financial Conditions of the Authority

- The net increase of \$837,318 in current assets includes an increase of \$794,803 in cash and investments, an increase of \$36,612 in customer receivables, and an increase of \$5,903 in inventory.

FINANCIAL HIGHLIGHTS (continued):

Changes in Financial Conditions of the Authority (continued):

- The decrease in Capital and Intangible assets of \$2,214,270 is primarily due to an increase of \$3,052,675 in accumulated depreciation and amortization.
- The increase of \$224,333 in operating revenues is primarily due to the increase of \$190,675 in biosolids recycling tipping fee revenue.
- The \$515,415 increase in operating expenses is due to an increase of \$335,425 in materials and supplies primarily due to bio-filter media replacement (wood chips), and an increase of \$150,979 in depreciation expense.

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.

As of June 30, 2018, contributed capital from SDLAC 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 2017/2018, each JPA member was charged \$56 per ton tipping fee for bio-solids deliveries. Orange County Sanitation Districts also delivered 15,818 tons of biosolids at a fee of \$58 per ton. The total net position at June 30, 2018 was \$87,071,067 compared to \$88,975,419 in FY 2016/2017.

Capital & Intangible Assets

At June 30, 2018, the Authority had total capital and intangible assets, net of depreciation and amortization, of \$82,204,106. Jobs in progress of \$196,531 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.

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 2017/2018 totaled \$63,746, for an average yield of 1.45%. The Authority's short-term investment fund balance for the fiscal year ended June 30, 2018 was \$5,329,358 comprised of \$1,488,019 in Sweep Investment Fund with Citizens Business Bank and \$3,841,333 in the Los Angeles County Pooled Surplus Investing Fund (LAC PSIF) and \$6 in the Local Agency Investment Agency Fund (LAIF). Please see Note #2 of the basic financial statements for additional information regarding investment balances.

FINANCIAL HIGHLIGHTS (continued):

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, 2018, 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, 2018
(With Comparative Total for June 30, 2017)

| | Totals | |
|--|----------------------------|----------------------------|
| | 2018 | 2017 |
| ASSETS | | |
| Current assets | | |
| Cash & Investments (Note 2) | \$5,798,098 | \$5,003,295 |
| Accounts receivable | 812,380 | 775,903 |
| Interest receivable | 3,493 | 3,493 |
| Other receivables | 135 | 0 |
| Inventory | 5,903 | 0 |
| Total current assets | <u>6,620,009</u> | <u>5,782,691</u> |
| Land | 4,285,096 | 4,285,096 |
| Jobs in progress | 196,531 | 461,702 |
| Capital assets, net of accumulated depreciation | 76,851,608 | 78,700,007 |
| Intangible assets, net of accumulated amortization | 870,871 | 971,571 |
| Total capital assets | <u>82,204,106</u> | <u>84,418,376</u> |
| Total noncurrent assets | <u>82,204,106</u> | <u>84,418,376</u> |
| Total assets | <u><u>\$88,824,115</u></u> | <u><u>\$90,201,067</u></u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | \$1,751,946 | \$1,224,476 |
| Accrued liabilities other | 1,102 | 1,172 |
| Total current liabilities | <u>1,753,048</u> | <u>1,225,648</u> |
| Total liabilities | <u>1,753,048</u> | <u>1,225,648</u> |
| NET POSITION | | |
| Net investment in capital assets | 82,204,106 | 84,418,376 |
| Unrestricted | 4,866,961 | 4,557,043 |
| Total net position | <u><u>\$87,071,067</u></u> | <u><u>\$88,975,419</u></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, 2018
(With Comparative Total for June 30, 2017)

| | Totals | |
|--|---------------------|---------------------|
| | 2018 | 2017 |
| Operating revenues | | |
| Biosolids Recycling Tipping Fees | \$8,213,480 | \$8,022,805 |
| Sale of compost | 533,541 | 470,942 |
| Energy Rebates | 0 | 28,941 |
| Total operating revenues | <u>8,747,021</u> | <u>8,522,688</u> |
| Operating expenses | | |
| Operations and maintenance | 6,668,687 | 6,333,262 |
| Administration and general | 832,057 | 803,046 |
| Depreciation and amortization | 3,052,675 | 2,901,696 |
| Total operating expenses | <u>10,553,419</u> | <u>10,038,004</u> |
| Operating income (loss) | <u>(1,806,398)</u> | <u>(1,515,316)</u> |
| Nonoperating revenues (expenses) | | |
| Interest income | 63,746 | 27,786 |
| Other nonoperating revenues | 12,343 | 15,971 |
| Unrealized loss on investment | (52,156) | 0 |
| Other nonoperating expenses | (121,887) | (3,500) |
| Net nonoperating revenues (expenses) | <u>(97,954)</u> | <u>40,257</u> |
| Income (loss) before capital contributions | <u>(1,904,352)</u> | <u>(1,475,059)</u> |
| Capital contributions: | | |
| Capital Grant | <u>0</u> | <u>10,070</u> |
| Change in net position | (1,904,352) | (1,464,989) |
| Total net position - beginning | <u>88,975,419</u> | <u>90,440,408</u> |
| Total net position - ending | <u>\$87,071,067</u> | <u>\$88,975,419</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, 2018
(With Comparative Totals for June 30, 2017)

| | Totals | |
|---|--------------------|--------------------|
| | 2018 | 2017 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$8,704,506 | \$8,590,523 |
| Cash payments to suppliers for goods and services | (3,032,446) | (3,602,557) |
| Cash payments for contract labor | (3,940,897) | (3,649,451) |
| | <u>1,731,163</u> | <u>1,338,515</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Contract reimbursement from other (Other Non Op Rev) | 12,343 | 15,971 |
| Cash paid to others (Other Non Op Exp) | (121,887) | (3,500) |
| | <u>(109,544)</u> | <u>12,471</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition and construction of capital assets | (838,405) | (588,085) |
| Capital grants | 0 | 10,070 |
| | <u>(838,405)</u> | <u>(578,015)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest on investments | 63,746 | 26,111 |
| Unrealized loss on investments | (52,156) | 0 |
| | <u>11,590</u> | <u>26,111</u> |
| Net increase (decrease) in cash and cash equivalents | 794,803 | 799,082 |
| Cash and cash equivalents - beginning | 5,003,295 | 4,204,213 |
| Cash and cash equivalents - ending | <u>\$5,798,098</u> | <u>\$5,003,295</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, 2018
(With Comparative Totals for June 30, 2017)

| | <u>Totals</u> | |
|--|--------------------|--------------------|
| | <u>2018</u> | <u>2017</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED FOR (USED BY) OPERATING ACTIVITIES | | |
| Operating income (loss) | (\$1,806,398) | (\$1,515,316) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | |
| Depreciation | 3,052,675 | 2,901,696 |
| (Increase) decrease in operating assets | | |
| Accounts receivable | (36,477) | 67,835 |
| Other receivable | (135) | 0 |
| Inventory | (5,903) | 0 |
| Increase (decrease) in operating liabilities | | |
| Accounts payable | 527,471 | (116,165) |
| Other accrued liabilities | (70) | 465 |
| Net cash provided (used) by operating activities | <u>\$1,731,163</u> | <u>\$1,338,515</u> |
| RECONCILIATION OF CASH & CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION | | |
| Cash | \$468,740 | \$512,012 |
| Short-term investments | <u>5,329,358</u> | <u>4,491,283</u> |
| Total cash, short-term investments, and restricted cash | <u>\$5,798,098</u> | <u>\$5,003,295</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, 2018

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| <i>Note 2 Cash and Investments</i> | <i>18</i> |
| <i>Note 3 Changes in Capital Assets.....</i> | <i>21</i> |
| <i>Note 4 Subsequent Event</i> | <i>22</i> |

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

(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 Sanitation District No. 2 of Los Angeles County (SDLAC), 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 are 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 \$17,401 for the fiscal year ended of June 30, 2018. 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 | 5 - 10 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, 2017 from which the summarized 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, public officials and employees' error and omissions: The Authority retains the risk of loss for general liability, and, errors and omissions claims of up to \$1,000,000 per person per occurrence; with an aggregate amount of \$2,000,000, subject to a \$10,000 deductible per occurrence.

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

- Property damage has an \$99,292,000 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, 2018, 2017, and 2016. Additionally, there have been no reductions in insurance coverage.



IERCF Event Tent

(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 proceeding 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, 2018.

Investments

In FY 2017/2018, 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, 2018 are classified in the accompanying financial statements as follows:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------|---------------------------|---------------------------|
| Statement of Net Position: | | |
| Cash & Investments | <u>\$5,798,098</u> | <u>\$5,003,295</u> |
| Total Cash and Investments | <u>\$5,798,098</u> | <u>\$5,003,295</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 Type</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 | 10% | None |
| Money Market Funds | N/A | 20% | 10% |
| Local Agency Investment Fund | N/A | \$65M | None |
| Local Agency Investment Pools | N/A | \$20M/Acct | 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 | \$ 3,841,333 | \$ 3,841,333 |
| Repurchase Agreement | 1,488,019 | 1,488,019 |
| Local Agency Investment Fund | 6 | 6 |
| Total | \$ 5,329,358 | \$ 5,329,358 |

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, 2018 for each investment type:

| <u>Investment Type</u> | <u>Value</u> | <u>Minimum Legal Rating</u> | <u>Unrated</u> |
|--|---------------------|---------------------------------|---------------------|
| Los Angeles County Investment Pooled Investment Fund | \$ 3,841,333 | N/A | \$ 3,841,333 |
| Repurchase Agreement | 1,488,019 | N/A | 1,488,019 |
| Local Agency Investment Fund | 6 | N/A | 6 |
| Total | \$ 5,329,358 | | \$ 5,329,358 |

Fair Value Measurement (GASB 72)

The information below shows the Authority's investments fair value measurements (market approach) as of June 30, 2018. 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, 2018</u> | <u>Level 1 ^(A)</u> | <u>Level 2 ^(B)</u> | <u>Level 3 ^(C)</u> |
|--|----------------------|-------------------------------|-------------------------------|-------------------------------|
| Los Angeles County Investment Pooled Investment Fund | \$ 3,841,333 | | \$ 3,841,333 | |
| Repurchase Agreement | 1,488,019 | | 1,488,019 | |
| Local Agency Investment Fund | 6 | | 6 | |
| Total | \$ 5,329,358 | \$ - | \$ 5,329,358 | \$ - |

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

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

^(C) Level 3 - Quoted prices in active markets for significant unobservable inputs

(3) Changes in Capital Assets

The following is a summary of capital assets, jobs in progress and intangible assets at June 30, 2018:

| Capital assets | Balance at 6/30/2017 | Additions | Transfers, Sales & Retirements | Balance at 6/30/2018 |
|---|---------------------------------|----------------------|---|---------------------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$4,285,096 | \$0 | \$0 | \$4,285,096 |
| Jobs in progress | 461,702 | 959,968 | (1,225,139) | 196,531 |
| Total capital assets, not being depreciated | \$4,746,798 | \$959,968 | (\$1,225,139) | \$4,481,627 |
| Capital assets, being depreciated: | | | | |
| Facility | 10,831,133 | 0 | 0 | 10,831,133 |
| Structures & improvements | 71,343,748 | 766,952 | 0 | 72,110,700 |
| Operations equipment | 17,224,334 | 414,572 | 0 | 17,638,906 |
| Total capital assets, being depreciated | \$99,399,215 | \$1,181,524 | \$0 | \$100,580,739 |
| Less accumulated depreciation for: | | | | |
| Facility | (2,057,916) | (216,623) | 0 | (2,274,539) |
| Structures & improvements | (13,268,122) | (1,463,128) | 0 | (14,731,250) |
| Operations equipment | (5,373,171) | (1,350,171) | | (6,723,342) |
| Total accumulated depreciation | (\$20,699,209) | (\$3,029,922) | \$0 | (\$23,729,131) |
| Total capital assets, being depreciated, net | \$78,700,007 | (\$1,848,398) | \$0 | \$76,851,608 |
| Intangible assets, being amortized: | | | | |
| Capacity rights | 1,143,472 | 43,616 | (150,000) | 1,037,088 |
| Total intangible assets, being amortized | \$1,143,472 | \$43,616 | (\$150,000) | \$1,037,088 |
| Less accumulated amortization for: | | | | |
| Capacity rights | (171,901) | (22,753) | 28,438 | (166,217) |
| Total accumulated amortization | (\$171,901) | (\$22,753) | \$28,438 | (\$166,217) |
| Total capital assets, being amortized, net | \$971,571 | \$20,863 | (\$121,563) | \$870,871 |
| Total capital assets, net | \$84,418,376 | (\$867,567) | (\$1,346,702) | \$82,204,106 |

In FY 2017/2018, IERCF acquired \$1,225,139 in assets; accumulated depreciation and amortization increased by \$3,052,675. 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 2017/18.

(3) Changes in Capital Assets (continued):

Jobs in Progress

At Fiscal Year ended June 30, 2018, the Authority had five capital modification and improvement projects and sub-projects in progress.

| | | |
|--|-----------|----------------|
| IERCF Building Improvements | \$ | 125,797 |
| IERCF Duct Work Phase II | | 28,362 |
| IERCF Transition Air Duct Improvements | | 18,951 |
| IERCF Ventilation Improvements | | 15,527 |
| IERCF Trommel Screen Improvements | | 7,894 |
| Total Jobs in Progress | \$ | 196,531 |

(4) Subsequent Events

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through February 4, 2018, the date financial statements were available to be issued, and found no subsequent event.



IERCF Team SoilPro

**Inland Empire
Utilities Agency**

6075 Kimball Avenue
Chino, CA 91710

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Chino Hills, CA 91709

tel 909.993.1600
fax 909.993.1986

www.ieua.org

**Sanitation Districts of
Los Angeles County**

1955 Workman Mill Road
Whittier, CA 90601

P.O. Box 4998
Whittier, CA 90607

tel 562.699.7411
fax 562.699.5422

www.lacsd.org

www.ierca.org



INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

12645 Sixth Street
Rancho Cucamonga, CA 91739

P.O. Box 2470
Chino Hills, CA 91709

tel 909.993.1500
fax 909.993.1510



www.ierca.org



INLAND EMPIRE REGIONAL

COMPOSTING
A U T H O R I T Y



**ANNUAL FINANCIAL REPORT FOR THE
FISCAL YEAR ENDED JUNE 30, 2018**

FEBRUARY 4, 2019



FY 2016/17 Highlights



- Tipping fee was increased from \$55/ton to \$56
- \$205k increase in total revenues due to a slight increase in biosolids recycling
- \$634K increase in total expenses primarily due to higher operating material and supplies, and depreciation expense
- Staffing level at 26 full time (FT) positions, including 1 FTE for succession planning
- No capital call needed to support capital projects



FY 2017/18 Statement of Revenue, Expense, and Change in Net Position

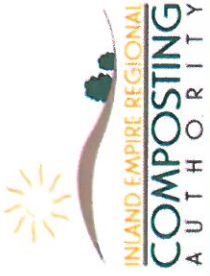
| | Fiscal Year Ended June 30, 2017 | Fiscal Year Ended June 30, 2018 | Change % |
|--------------------------------|------------------------------------|------------------------------------|----------|
| (\$ Millions) | | | |
| Total Revenue | \$8.6 | \$8.8 | 2.3% |
| Total Expenses ⁽¹⁾ | (10.0) | (10.7) | 7.0% |
| Net Profit (Loss) | (\$1.4) | (\$1.9) | 35.7% |
| Beginning Net Position, July 1 | \$90.4 | \$89.0 | (1.5%) |
| Ending Net Position, June 30 | \$89.0 | \$87.1 | (2.1%) |

⁽¹⁾Includes depreciation expense of \$3.0M (2018) and \$2.9M (2017)



FY 2017/18 Statement of Net Position

| (\$ Millions) | Fiscal Year Ended June 30, 2017 | Fiscal Year Ended June 30, 2018 | Change % |
|---|------------------------------------|------------------------------------|---------------|
| Assets | | | |
| Current Assets | \$5.8 | \$6.6 | 13.8% |
| Net Capital & Intangible Assets | 84.4 | 82.2 | (2.6%) |
| Total Assets | \$90.2 | \$88.8 | (1.6%) |
| Liabilities & Net Position | | | |
| Current Liabilities | \$1.2 | \$1.7 | (41.7%) |
| Invested in Capital Assets | \$84.4 | \$82.2 | (2.6%) |
| Unrestricted | 4.6 | 4.9 | 6.5% |
| Total Liabilities and Net Position | \$90.2 | \$88.8 | (1.6%) |



FY 2018/19 Mid-Year Statement of Revenue, Expenses, and Change in Fund Balance

| (\$Millions) | FY 2018/19 Amended Budget | FY 2018/19 Actual As of 12/31/18 | Projected Mid- Year vs. Budget |
|--------------------------|--------------------------------------|---|---|
| Revenue ⁽¹⁾ | \$8.7 | \$4.6 | 53% |
| Expenses | 7.8 | 4.7 | 60% |
| Capital ⁽²⁾ | 3.4 | 1.3 | 38% |
| Net Profit (Loss) | (\$2.5) | (\$2.0) | |

(1) Excludes budget of \$1 million for capital contribution.

(2) Includes carry forward of \$385,628 to support on-going capital projects approved by Board on November 5, 2018



INLAND EMPIRE REGIONAL

COMPOSTING

AUTHORITY




QUESTIONS?

**DISCUSSION
POSSIBLE
ACTION ITEM**

4



Date: February 4, 2019
To: Honorable Board of Directors
From: Jeff Ziegenbein
Project Manager 
Subject: Mission Statement

RECOMMENDATION

This is an information item for discussion and possible action.

BACKGROUND

The IERCA Board of Directors provided input and direction on a draft Mission Statement and directed staff to finalize and place into a design for the Board to consider. Attached are three options for discussion and possible action.

PRIOR BOARD ACTION

None.

IMPACT ON BUDGET

There is no impact on the Authority's FY 2018/19 budget.



MISSION

The Inland Empire Regional Composting Authority protects the environment by converting waste products into high-quality compost through sustainable biosolids management, benefitting our partnering agencies and communities.

OUR COMPOST

- CREATES HEALTHY SOILS
- BOOSTS SOIL PRODUCTIVITY
- SAVES WATER
- IMPROVES AIR QUALITY

OUR PRACTICES

- SAFE
- INNOVATIVE
- COLLABORATIVE
- COST EFFECTIVE





OUR MISSION

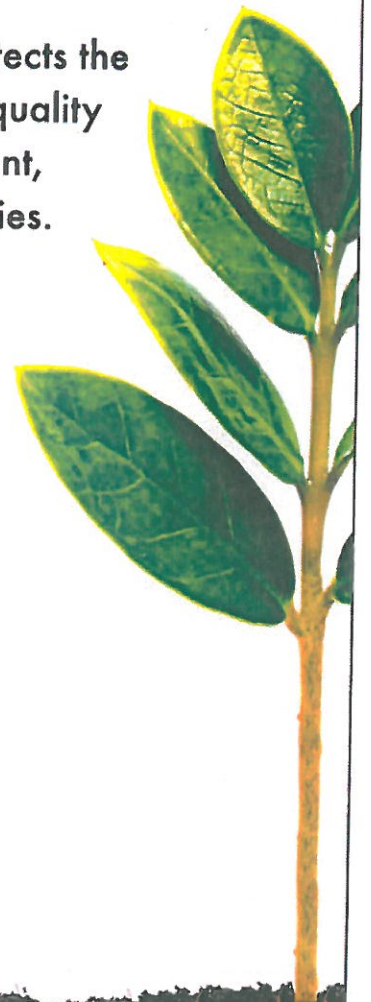
The Inland Empire Regional Composting Authority protects the environment by converting waste products into high-quality compost through sustainable biosolids management, benefitting our partnering agencies and communities.

OUR COMPOST

- ◆ Creates healthy soils
- ◆ Boosts soil productivity
- ◆ Saves water
- ◆ Improves air quality

OUR PRACTICES

- ◆ Safe
- ◆ Innovative
- ◆ Collaborative
- ◆ Cost effective





OUR MISSION

The Inland Empire Regional Composting Authority protects the environment by converting waste products into high-quality compost through sustainable biosolids management, benefitting our partnering agencies and communities.

OUR COMPOST

- ◆ Creates healthy soils
- ◆ Boosts soil productivity
- ◆ Saves water
- ◆ Improves air quality

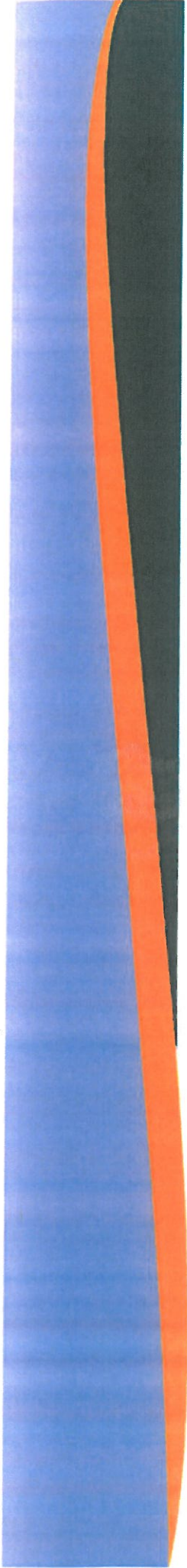
OUR PRACTICES

- ◆ Safe
- ◆ Innovative
- ◆ Collaborative
- ◆ Cost effective

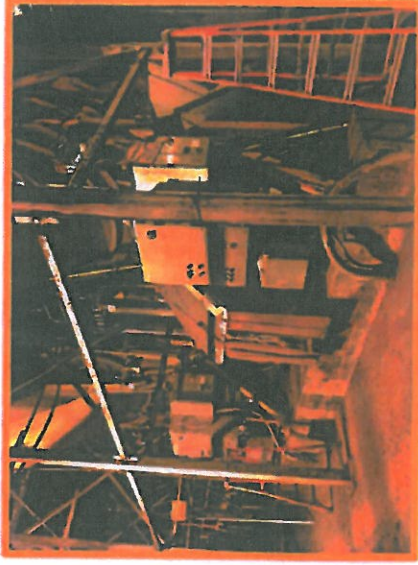
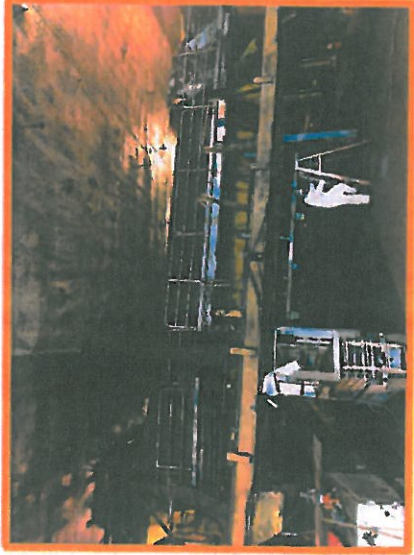


INFORMATION
ITEM

5A



Compost Screening Plant No. 1 Replacement Project Update



RA19002 – Compost Screening Plant No. 1 Replacement

Project Goal: Replace Screen No. 1
Design-Build

Total Project Budget: \$1.6M
Project Completion: May 2019
Overall Percent Complete: 60%

| Phase | Consultant/ Contractor | Current Contract | Amendments/ Change Orders |
|---------------------------|---------------------------|---------------------|---------------------------------|
| Design | In House | N/A | N/A |
| Construction (Current) | W.M. Lyles | \$1.3 M | 0.0% |



RA19002 – Compost Screening Plant No. 1 Replacement

Project Goal: Replace Screen No. 1
Design-Build

- Existing screen demolished
- Contractor has formed concrete support footings
- New screen has begun arriving at IERCF
- New motor control center in production



RA19002 – Compost Screening Plant No. 1 Replacement

Project Goal: Replace Screen No. 1
Design-Build

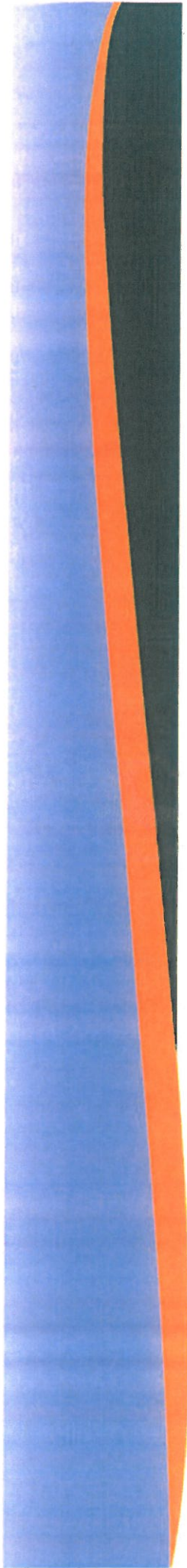
West Salem Machinery Production

- Support frame completed
- Final assembly of trommel housing
- Sandblasting and coating ongoing



INFORMATION
ITEM

5B



IERCF Roof Solar Addition Project Update

Project No: EN0000000016



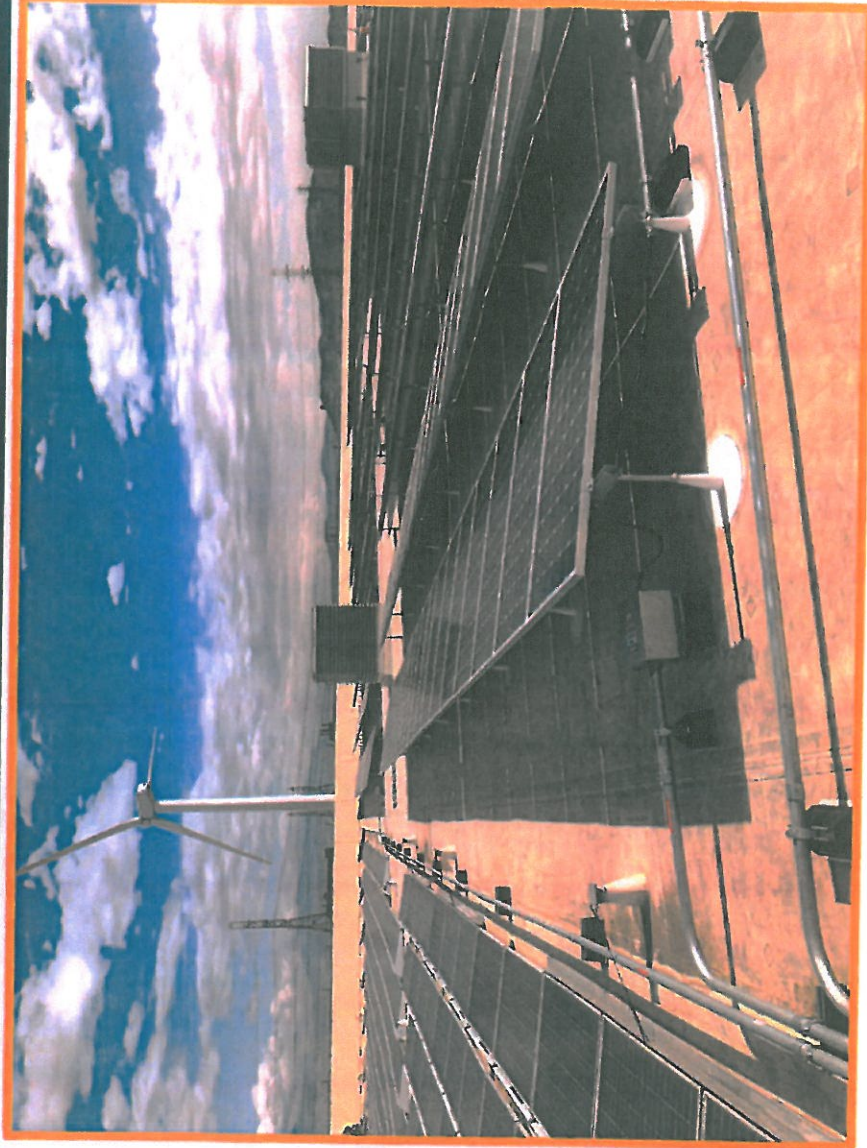
EN000000016 – IERCF Roof Solar Addition Project Update

Project Goal: Addition of renewable energy.
Power Purchase Agreement

Construction Start Date: September 2018
Construction Completed: December 2018
Overall Percent Complete: 95%

| Construction Completion | Solar PV Prediction (MWh)/ year | Total No. Solar Panels |
|-------------------------|---------------------------------|------------------------|
| 100% | 2,497 | 3,744 |

Annual net guaranteed cost savings from the new solar: \$65,625



EN000000016 – IERCF Roof Solar Addition Project Update

Project Goal: Addition of renewable energy.

- Installation of 1.5 MW Solar PV System with 1.5 MW Battery Storage
- Construction completed December 2018
- Currently the system is in test mode
- SCE inspection completed, and Permit to Operate has been issued



Integration with Battery Storage Benefits

- Annual net guaranteed cost savings from battery is \$21,875
 - Total combined savings (Battery+ Solar): \$87,500
- Completely Automated Process
- Renewable Energy Integration
 - Real-time tracking
 - Control over when renewable power is consumed
- Ability to Coordinate with Electric Utility
 - IEUA not just a consumer, but a Demand Response asset




INFORMATION
ITEM

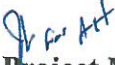
5C



Date: February 4, 2019

To: Honorable Board of Directors

From: Jeffrey Ziegenbein 
Project Manager

Ann Heil 
Assistant Project Manager

Subject: Project Manager's Report

RECOMMENDATION

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

BACKGROUND

Operations

The Inland Empire Regional Composting Facility (IERCF) continued to operate at maximum capacity processing up to 650 wet tons of biosolids and up to 300 wet tons of amendments daily.

Since the last update, the IERCF staff has:

- Maintained compost sales volumes that match production volumes
- Maintained 100% compliance with permit regulations
- Completed biofilter maintenance work

There was an accident on January 11, 2019. An IERCF worker sprained an ankle while operating a man-lift resulting in a loss-time accident.

Table 1 lists materials processed for the current fiscal year 2018/19 through December 31, 2018, the same time period in the previous fiscal year, and since start-up in April 2007.

Table 1: Process summary

| | FY 2018/19 | FY 2017/18 | 2007-2018 |
|---------------------------------|------------|------------|-----------|
| Biosolids Processed (wet tons) | 76,279 | 71,840 | 1,537,197 |
| Amendments Processed (wet tons) | 19,434 | 19,074 | 627,290 |
| Compost Sold (cubic yards) | 107,279 | 123,450 | 2,454,420 |

The Operations team completed biofilter maintenance work by removing the existing media, blending in 25% new wood media, and rebuilding the biofilter to 7.5' height. The project was completed ahead of schedule and is typically performed every two years. The facility will be conducting a biennial source test on February 13 and 14 as required by the South Coast Air Quality Management District. Source tests verify the biofilter's performance measured by a certified, independent contractor. Routine monitoring indicates that the biofilter is performing well and within full compliance. This will be the sixth source test since operations began in April 2007.

Employee Update

Randall Reed retired from the Agency on December 28, 2018. He was a Maintenance Specialist for the compost facility for the past 10 years and an Agency employee for over 30 years.

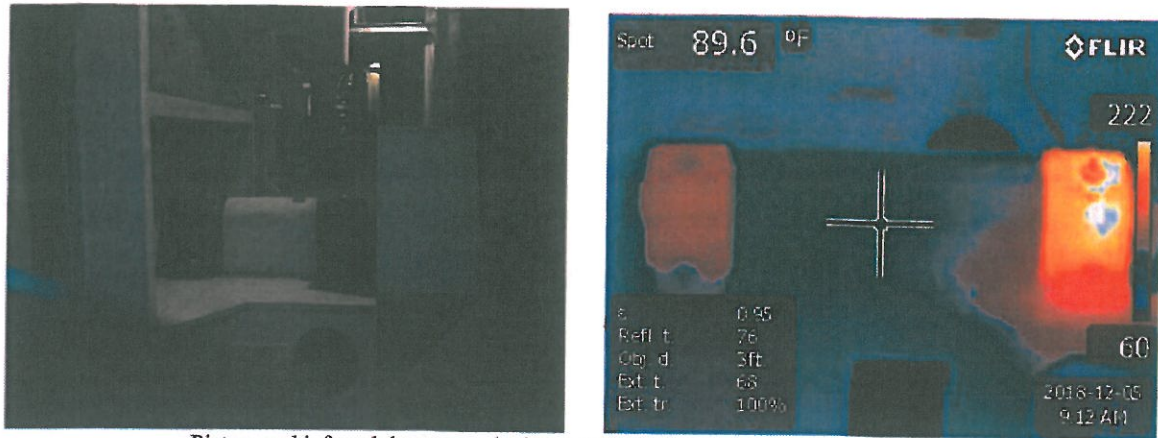
Maintenance

The maintenance team continued to strive for excellent work order completion and uptime. The following table summarizes the work completed over the last quarter.

Quarterly Report; October-December 2018

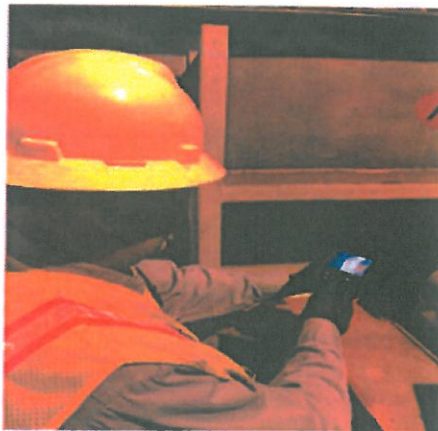
| | |
|---------------------------------------|-------------|
| SCHEDULE COMPLETION | 109% |
| Work Orders Scheduled | 375 |
| Work Orders Completed | 408 |
| SCHEDULE ON TIME PERCENT | 90% |
| Corrective Maintenance (CM's) Created | 103 |
| Break in Work | 44 |
| Average work order age | 36 Days |

Maintenance staff continue to employ condition-based monitoring principles and used the technology to discover a failed bearing on a process fan. The following photos show the bearings with and without the aid of a thermographic camera. The graphics make it simple for the technician to see that there is an item requiring further attention.



Picture and infrared thermography image of a fan bearing showing hotter tem on the right

The following photos show a technician gathering thermo images and the bearing after the casing has been removed. Staff overhauled the process fan due to the bearings reaching their L10. L10 is the life expectancy of a bearing. In this case, the bearings had a run-life greater than a 10-year period. One of the bearings showed signs of wear due to the higher temperatures that were observed. Once apart, it was obvious the bearing had reached its end of life. Looking into historical data, staff noticed these were the original bearings that were installed during the startup of the facility. This validates that with proper maintenance and monitoring a bearing reached its full life expectancy and was caught in time to schedule without impacting production.

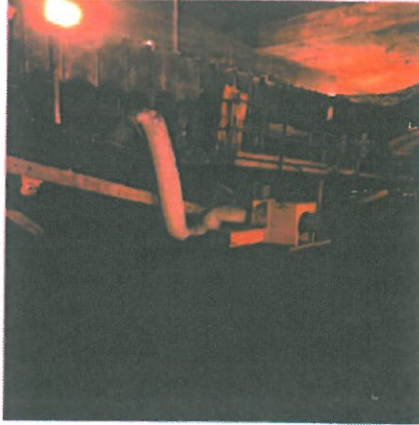


Thermography inspection



Bearing before repair

Below are pictures of the newly installed Airlift Separator. This system removes plastic and other lightweight materials from the compost without slowing down the production. This improves compost quality and allows for recycling of the plastic as its captured into a sock and discarded in a recycling bin.



Outreach

Table 2: Summary of IERCA outreach activities for the quarter:

| Item | Number |
|-----------------------------|---------------|
| IERCF Tours (groups/people) | 0/0 |
| Garden in Every School | 0 |
| Site visitors (contractors) | 262 |

Sales and Marketing Report

The sales staff is currently servicing over 100 active customers. Over the last quarter, we have added six new customers. The team's focus over this last quarter has been on increasing revenue and finding 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 currently 65% landscape markets and 30% agriculture with 5% going to our "Give Back" program. This market diversification has allowed IERCA to maintain a more even sales distribution throughout this spring and early summer season.

Despite diversifying our customer base, 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 SDLAC. 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.



SoilPro application of a farm in Riverside County.



SoilPro applied to a hillside for erosion control via blower truck.

Table 3: Summary of monthly sales and revenue

| MONTH | TOTAL YARDS 2018/2019 | TOTAL YARDS 2017/2018 | TOTAL REVENUE 2018/2019 | TOTAL REVENUE 2017/2018 |
|----------------|--------------------------|--------------------------|----------------------------|----------------------------|
| July | 14,910.11 | 21,518.61 | \$24,972.01 | \$31,737.00 |
| August | 15,194.50 | 19,226.62 | \$28,866.84 | \$37,071.78 |
| September | 17,728.97 | 16,170.64 | \$24,979.50 | \$35,038.33 |
| October | 19,523.68 | 25,631.94 | \$28,489.44 | \$34,569.24 |
| November | 22,037.03 | 24,481.44 | \$28,310.45 | \$30,053.63 |
| December | 17,885.11 | 16,420.31 | \$21,300.70 | \$30,053.63 |
| TOTAL | 107,279.40 | 123,449.56 | \$156,918.94 | \$198,523.61 |
| AVERAGE | 17,879.90 | 20,574.93 | \$26,153.16 | \$33,087.27 |

The following tables summarize the Authority's ageing reports and sales write off history:

| | Description | Current | 1-30 Days | 31-60 days | 61-90 days | 91-120 days | >121 days | Total |
|---|----------------|-----------|-----------|------------|------------|-------------|-----------|-----------|
| 1 | Amount \$ | 71,981.75 | 3,860.06 | 4,027.78 | 4,324.13 | 2,212.55 | 4,566.73 | 90,973.00 |
| 2 | # of Invoices | 56 | 7 | 4 | 2 | 3 | 11 | 83 |
| 3 | # of Customers | 39 | 6 | 4 | 2 | 3 | 7 | 61 |

| Sr. # | Description | From FY 2007/08 to FY 2017/18 | FY 2018/19 (July thru Dec) | Total |
|-------|-------------------------------|-------------------------------|----------------------------|--------------|
| 1 | Sales | 6,086,500.02 | 224,053.05 | 6,310,553.07 |
| 2 | Write off | 33,701.60 | \$0 | 33,701.60 |
| 3 | Percentage of Write Off Sales | 0.5537% | | 0.5341% |

PRIOR BOARD ACTION

None.


IMPACT ON BUDGET

None.

INFORMATION
ITEM

5D



Date: February 4, 2019
To: Honorable Board of Directors
From:  Christina Valencia
Treasurer
Subject: Treasurer's Report of Financial Affairs for the Quarter Ended
December 31, 2018

RECOMMENDATION

The Treasurer's Report of Financial Affairs for the quarter ended December 31, 2018 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. 2018-5-1), 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, 2018 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 \$5,236,101 showing a decrease of \$365,185 when compared to the September balance of \$5,601,286. The decrease was mainly due to increase in spending for operating and administrative expenses.

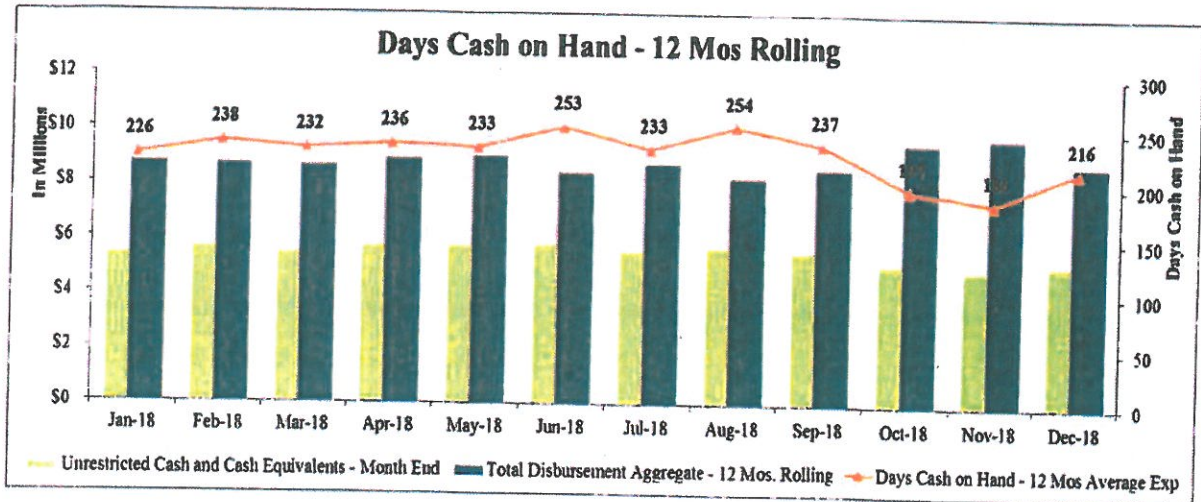
The Authority's investment portfolio average rate of return in December 2018⁽¹⁾ was 1.781 percent compared to the September 2018 yield of 1.469 percent.

(1) Information from LA County Pooled Investment and Local Agency Investment Fund is as of November 30, 2018.

| | September 30, 2018 | December 31, 2018 | Changes from Prior Quarter |
|---|--------------------|-------------------|-------------------------------|
| Total Cash, Investments, Restricted Deposits | \$5,601,286 | \$5,236,101 | (\$365,185) |
| Investment Portfolio Average Rate of Return | 1.469% | 1.781% | 0.312% |

Cash on hand (COH) for the month ended December 31, 2018 was 216 days compared to September 30, 2018 COH of 237 days, due to lower cash receipts for the quarter. 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 expense, 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, 2018.

TREASURER'S REPORT OF FINANCIAL AFFAIRS

For the Quarter Ended December 31, 2018



All investment transactions have been executed in accordance with the criteria stated in the Authority's Investment Policy (Resolution No. 2018-5-1), adopted by the Inland Empire Regional Composting Authority's Board of Directors during its regular meeting held on May 7, 2018. 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, 2018*

| | December | September |
|---|--------------------|--------------------|
| <u>Unrestricted Accounts</u> | | |
| <u>Cash, Bank Deposits, and Bank Investment Accounts</u> | \$439,647 | \$538,162 |
| <u>Investments</u> | | |
| Citizens Business Bank (CBB) Repurchase (Sweep) | \$872,949 | \$1,158,669 |
| LA County Pooled Investment | \$1,423,499 | \$3,904,449 |
| Local Agency Investment Fund (LAIF) | \$2,500,006 | \$6 |
| Total Investments | \$4,796,454 | \$5,063,124 |
| Total Unrestricted Cash and Investments Available to the Authority | \$5,236,101 | \$5,601,286 |
| Total Unrestricted Cash and Investments | \$5,236,101 | \$5,601,286 |
| Net Change from previous Quarter | (\$365,185) | |

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Cash and Investment Summary

Quarter Ended
December 31, 2018

Unrestricted Accounts

Cash, Bank Deposits, and Bank Investment Accounts

| | |
|----------------------------|-----------|
| Demand (Checking) Accounts | \$439,647 |
| Subtotal Demand Deposits | \$439,647 |

Total Cash and Bank Investment Accounts

\$439,647

Investments

| | |
|---|-------------|
| Citizens Business Bank (CBB) Repurchase (Sweep) | \$872,949 |
| Local Agency Investment Fund (LAIF) | \$2,500,006 |
| LA County Pooled Investment | \$1,423,499 |
| | \$4,796,454 |
| | \$4,796,454 |

Total Investments

Total Cash, Investments and Restricted Deposits as of December 31, 2018

\$5,236,101

| | |
|---|-------------|
| Total Unrestricted Cash and Investments as of 12/31/2018 | \$5,236,101 |
| Less: Total Unrestricted Cash and Investments as of 9/30/2018 | \$5,601,286 |

Total Quarterly Increase (Decrease)

(\$365,185)

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Cash and Investment Summary

Quarter Ended
 December 31, 2018

| Investments | Purchased | Par Amount | Principal Amount | Term (Days) | December Amortization | December Value | % Yield | Maturity Date | Market Value |
|--|-----------|-------------|--------------------|-------------|-----------------------|--------------------|---------|---------------|--------------------|
| Unrestricted Accounts | | | | | | | | | |
| Cash, Bank Deposits, and Bank Investment Accounts | | | | | | | | | |
| Citizens Business Bank | | | | | | | | | |
| Checking Account | | \$439,647 | \$439,647 | N/A | N/A | \$439,647 | N/A | N/A | \$439,647 |
| Subtotal CBB | | \$439,647 | \$439,647 | | | \$439,647 | | | \$439,647 |
| Total Cash and Bank Deposits | | | | | | | | | |
| | | \$439,647 | \$439,647 | | | \$439,647 | | | \$439,647 |
| Investments | | | | | | | | | |
| Citizens Business Bank Sweep ⁽¹⁾ | | | | | | | | | |
| | | \$872,949 | \$872,949 | | | \$872,949 | 1.100% | | \$872,949 |
| LA County Pooled Investment ⁽²⁾ | | | | | | | | | |
| | | \$1,423,499 | \$1,423,499 | | | \$1,423,499 | 2.000% | | \$1,423,499 |
| Local Agency Investment Fund ⁽²⁾ | | | | | | | | | |
| | | \$2,500,006 | \$2,500,006 | N/A | N/A | \$2,500,006 | 2.208% | N/A | \$2,500,006 |
| Subtotal Investments | | \$4,796,454 | \$4,796,454 | | | \$4,796,454 | 1.945% | | \$4,796,454 |
| Total Investments | | | | | | | | | |
| | | \$4,796,454 | \$4,796,454 | | | \$4,796,454 | | | \$4,796,454 |
| Total Unrestricted Cash and Investments as of December 31, 2018 | | | \$5,236,101 | | | \$5,236,101 | | | \$5,236,101 |

⁽¹⁾ Citizens Business Bank Sweep rate increased from 0.9% to 1.10% on November 2, 2018.

⁽²⁾ Interest Rate information from LA County Pooled Investment and Local Agency Investment Fund is as of November 30, 2018

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY
Cash and Investment Summary

*Quarter Ended
 December 31, 2018*

| | | | |
|--|--|--------------------|---------------|
| <u>Unrestricted Accounts</u> | | | |
| <u>Cash, Bank Deposits, and Bank Investment Accounts</u> | | | |
| Citizens Business Bank - Sweep Account ⁽¹⁾ | | \$872,949 | 1.100% |
| LA County Pooled Investment ⁽²⁾ | | \$1,423,499 | 2.000% |
| Local Agency Investment Fund ⁽²⁾ | | \$2,500,006 | 2.208% |
| | | \$4,796,454 | 1.945% |
| <u>Bank Accounts</u> | | | |
| Citizens Business Bank -Demand Account | | \$439,647 | N/A |
| | | \$439,647 | |
| Total Portfolio | | \$5,236,101 | 1.781% |
| <u>Investment Portfolio Rate of Return</u> | | | |
| <u>Restricted/Transitory/Other Demand Accounts</u> | | | |
| <u>Total Other Accounts</u> | | \$0 | 0.000% |
| Total Authority Directed Deposits | | \$5,236,101 | |

⁽¹⁾ Citizens Business Bank Sweep rate increased from 0.9% to 1.10% on November 2, 2018

⁽²⁾ Interest Rate information from LA County Pooled Investment and Local Agency Investment Fund is as of November 30, 2018

INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY

Cash Position

Quarter Ended
December 31, 2018

Total Cash, Investments and Restricted Deposits

