

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)  
FEBRUARY 5, 2018  
10:00 A.M.**

**DIRECTORS PRESENT:**

Jon Blickenstaff, Chairperson  
Jasmin A. Hall, Vice Chairperson  
Grace Hyde, Director  
Margaret Finlay, Director  
Kati Parker, Alternate Director

**DIRECTORS ABSENT:**

Paul Hofer, Director  
Halla Razak, Director

**OTHERS PRESENT:**

Jeffrey Ziegenbein, Project Manager, IERCA  
Ann Heil, Assistant Project Manager, IERCA  
Christina Valencia, Treasurer, IERCA  
Randy Lee, Executive Manager of Operations/Assistant General Manager, IEUA  
Connie Gibson, Executive Assistant, IEUA  
Michael Sullivan, Assistant Department Head, SDLAC  
Jean Cihigoyenette, General Counsel  
Teresa Velarde, Manager of Internal Auditor, IEUA  
Debbie Harper, LSL, CPA  
Jesse Pompa – Senior Engineer, IEUA  
Jeff King, Compost Facility Superintendent, IERCA  
Arin Boughan, Marketing Coordinator, IERCA  
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 10:04 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.

Chairperson Blickenstaff introduced Katie Parker, Alternate Director filling in for Director Hofer who was unable to attend the meeting. Mr. Blickenstaff introduced Abel Hernandez, Electrical & Instrumentation Technician for the IERCA maintenance section.

**ELECTION OF OFFICERS**

Chairperson Blickenstaff stated that it's time to fill the positions Chairperson and Vice Chairperson for the IERCA Board. Mr. Blickenstaff opened the floor for nominations and Director Finlay stated she would like to re-elect Jon Blickenstaff to resume as Board Chairperson. Chairperson Blickenstaff accepted this nomination and thanked the board for their continued confidence in him. Director Finlay also nominated the re-election of Jasmin A. Hall as Vice Chairperson. Ms. Hall accepted this nomination and thanked the board for their continued confidence in her.

Upon motion by Director Finlay, seconded by Director Hyde the motion carried (4/0):

**M2018-2-1**  
The Board:  
  
Re-elect Jon Blickenstaff as Chairperson of the Board and  
  
Re-elect Jasmin A. Hall as Vice Chairperson of the Board.

With the following roll call vote:

Ayes: Finlay, Hyde, Hall, Parker  
Noes: None  
Absent: Razak, Hofer  
Abstain: None

**CONSENT CALENDAR**

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

**M2018-2-2**  
The Board:  
  
Approved the Consent Calendar:  
  
A. Minutes from the November 6, 2017 regular meeting of the Board of Directors.  
  
B. Investment and Disbursement Report as submitted.

**ACTION ITEMS**

**A. ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Christina Valencia, IERCA Treasurer, introduced Ms. Debra Harper, LSL, CPA. Ms. Harper represents the CPA firm who audits both the IEUA and IERCA Financials. Ms. Valencia continued to present the Annual Financial report for Fiscal Year ended June 30, 2017. She reviewed the highlights stating that the facility continues to operate a full capacity as it reached its tenth year of operations in April 2017. Total revenue in FY 2016/17 reflects a slight decrease from \$8.6 million to \$8.5 million reported in the prior fiscal year. This decrease is primary due to a slight drop in compost sales revenues.

Total expenses of \$10 million reported an increase of \$0.5 million compared to last fiscal year. This increase is primarily due to higher operating expenses of \$0.4 million and depreciation of \$0.3 million.

The total ending net position decreased by \$1.5 million to \$89.0 million as of June 30, 2017, of which approximately \$84.4 million has been invested in capital assets. The remaining \$4.6 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 million capital call budgeted in FY 2016/17.

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

**M2018-2-3**

The Board:

1. Approved the Annual Financial Report for the Fiscal Year ended June 30, 2017, 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.

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

Ms. Valencia presented three resolutions stating that they have been revised to reflect recent changes in the Authority's signatories due to the retirement of Mr. P. Joseph Grindstaff and the addition of Ms. Halla Razak as the new General Manager for the Inland Empire Utilities Agency and new Director for the Inland Empire Regional Composting Authority.

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

**M2018-2-4**

The Board:

1. Adopted Resolution No. 2018-2-1, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds;
2. Adopted Resolution No. 2018-2-2, authorizing participation in the Local Agency Investment Fund and designating signatories for the deposit and withdrawal of funds; and
3. Adopted Resolution No. 2018-2-3, authorizing participation in the Los Angeles County Pooled Surplus Investment Fund and designating signatories for the deposit and withdrawal of funds.

**C. TROMMEL SCREEN REPLACEMENT**

Mr. Ziegenbein presented a request to award a contract for the procurement and replacement of one of the two trommel screens at the IERCF. He stated staff issued a request for proposal and the proposals were reviewed by a selection committee and it was determined that W.M. Lyles Co. has the technical experience and responsiveness to make this a project a success. Jeff reminded the Board that after 10 years of operations in a very challenging environment, both screens are nearing

the end of their useful life and require an investment. Screen No. 1 is much closer to requiring a major investment and is the first choice for replacement. The IERCF team of mechanics and operators have done exceptional work in keeping the screens running and maintaining throughput. Improvements in technology are expected to reduce downtime and maintenance requirements. The project is expected to take approximately one year to complete.

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

**M2018-2-5**

The Board:

1. Awarded a construction contract for the replacement of compost screening plant No. 1, Project No. RA19002, to W.M. Lyles Co. in the amount of \$1,269,700;
2. Approved a budget transfer in the amount of \$500,000 from the Transition Air Duct Improvements Project No. RA17001 to the Trommel Screen Improvements Project No. RA19002; and
3. Authorized the Project Manager to finalize and execute the Contract.

**IERCA FARM PLAN**

Mr. Ziegenbein presented a plan to evaluate starting a farm. He stated that controlling a local farm could mitigate compost market uncertainty as well as demonstrate the benefits of using compost in agriculture. The plan initially indicates that the farm should be approximately 200 acres to provide economies of scale and a fairly high-volume demand for compost. This project will likely include an agreement with a local university to quantify water conservation, carbon sequestration and profitability and create a case study to encourage more farmers to use compost. Mr. Ziegenbein added that the evaluation is in the early stages and that he will keep the Board informed of any updates. Board members asked if the farm was within the mission of the IERCA and Mr. Ziegenbein explained that the potential threats to the markets and the opportunity to expand compost use appeared to be acceptable but would continue to keep the Board updated.

**PROJECT MANAGER'S REPORT**

Mr. Ziegenbein stated the facility continues to operate a full capacity and staff has logged over 2,497 days without lost time incidents. Staff has reduced inventory to ZERO for the second consecutive year and that the facility is currently out of material. He further stated that the maintenance team continues to use dashboards to get work orders completed and data entered and is doing a great job completing work orders on time. Mr. Ziegenbein then introduced Mr. Jesse Pompa, IEUA Senior Engineer, who gave an energy storage update. Mr. Pompa stated that the solar portion of the project is at the 90% design review. IEUA and LACSD engineers are evaluating the structural calculations to ensure the IERCF's roof is acceptable to hold the additional load. The solar panels must be installed by December 15, 2018 or the project will be discontinued. At this time, it appears the project is within an acceptable time to be completed if the project team agrees on the technical and business evaluation. Mr. Ziegenbein continued with an update on outreach activities. He stated that staff continues to seek opportunities to speak about the project and the benefits of compost and has been active with the Garden in Every School program. IERCA sales staff continues to monitor market conditions to ensure the best value for our compost products.

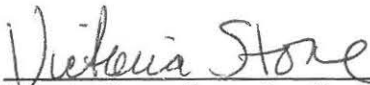
**TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED DECEMBER 31, 2017**

Ms. Valencia presented the Treasurer's Report of Financial Affairs for the quarter ended December 31, 2017. She stated that the Authority's investment portfolio average rate of return for December 2017 was 1.141% reflecting an increase of 0.119% when compared to the September 2017 yield of 1.022%. The increase was due to the investment of \$500,000 from Citizens Business Bank Sweep account, with a yield of 0.70%, to the LA County Pooled Investment account, with a yield of 1.390%.

**DIRECTORS' COMMENTS**

None.

With no further business, Chairperson Blickenstaff adjourned the meeting at 10:48 a.m.



Victoria Stone, Recording Secretary

**APPROVED: MAY 7, 2018**