

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)  
MAY 6, 2019  
10:00 A.M.**

**DIRECTORS PRESENT:**

Paul Hofer, Chairperson  
Jon Blickenstaff, Vice Chairperson  
Shivaji Deshmukh, Director  
Michael Camacho, Director  
Robert Ferrante, Alternate Director

**DIRECTORS ABSENT:**

Grace Robinson Hyde, Director  
Margaret Finlay, Director

**OTHERS PRESENT:**

Jeff Ziegenbein, Project Manager, IERCA  
Ann Heil, Assistant Project Manager, IERCA  
Christina Valencia, Treasurer, IERCA  
Marty Cihigoyenette, General Counsel  
Randy Lee, Executive Manager of Operations/AGM, IEUA  
James Spears, Associate Engineer, IEUA  
Matt Bao, Supervising Engineer Reuse and Compliance, SDLAC  
Justin Tao, Assistant Engineer, IEUA  
Sarah Recinto, Assistant Engineer, IEUA  
Matthew Poeske, Senior Engineer, IEUA  
Gary Festa, Compost Operator, Retiree  
Randall Reed, Maintenance Specialist, Retiree  
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 Hofer called the meeting to order at 9:54 a.m. and he led the pledge of allegiance to the flag. A quorum was present.

**INTRODUCTIONS**

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

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

Chairperson Hofer introduced Mr. Shivaji Deshmukh, General Manager for IEUA.

Chairperson Hofer introduced Mr. Randall Reed, Maintenance Specialist and congratulated him on his retirement and thanked him for his 30 years of Service with the IEUA and IERCA.

Chairperson Hofer introduced Mr. Gary Festa, Compost Operator and congratulated him on his retirement and thanked him for his 12 years of Service with the IEUA and IERCA.

**CONSENT CALENDAR**

Upon motion by Vice Chairperson Blickenstaff seconded by Alternate Director Ferrante the motion carried:

**M2019-5-1**

The Board:  
Approved the Consent Calendar:

1. Minutes from the February 4, 2019 regular meeting of the Board of Directors.
2. Investment and Disbursement Report as submitted.

Director Camacho entered the meeting at 10:03 a.m.

**ACTION ITEMS**

**ADOPTION OF BUDGET FOR FISCAL YEAR 2019/20**

Christina Valencia, IERCA Treasurer, presented the proposed budget for fiscal year 2019/20 stating that the biosolids tipping fee will remain at \$56 per wet ton. She continued with the proposed budget which also includes a \$500,000 capital call to support capital improvements as needed throughout the year.

Upon motion by Vice Chairperson Blickenstaff, seconded by Director Camacho, the motion carried:

**M2019-5-2**

The Board:

Approved the Budget for Fiscal Year 2019/20; maintaining the tipping fee at \$56 per wet ton; and approving a capital call of \$500,000 to be shared equally by the IEUA and the Sanitation District no. 2 of Los Angeles County to support capital improvement project costs.

**ADOPTION OF THE INVESTMENT POLICY FOR FISCAL YEAR 2019/20**

Ms. Valencia presented the Investment Policy for Fiscal Year 2019/20. She stated that this Policy establishes procedures and guidelines by which temporarily idle funds will be managed. The Policy also prioritizes the IERCA's public funds management objectives for safety, liquidity, and yield.

Upon motion by Alternate Director Ferrante, seconded by Vice Chairperson Blickenstaff, the motion carried:

**M2019-5-3**

The Board:

Adopted Resolution No 2019-5-4 approving the Authority's Investment Policy for FY 2019/20.

## **ANNUAL MANAGEMENT PLAN**

Mr. Ziegenbein gave an overview of the Annual Management Plan stating that this plan is submitted each year by the Project Manager and Assistant Project Manager to the Board for review and approval. He stated that staffing has maintained at 25 along with one Safety Analyst from the Districts. Mr. Ziegenbein added that the sales team is communicating with a farmer in Riverside county who may be interested in partnering with IERCA to develop a research farm to study the benefits of compost. Mr. Ziegenbein continued that staff is working with potential partners to do compost research to quantify water savings, carbon sequestration, crop yield and soil health.

Upon motion by Vice Chairperson Blickenstaff, seconded by Director Camacho, the motion carried:

### **M2019-5-4**

The Board:

Approved the 2019/20 Annual Management Plan.

## **ADOPTION OF DEPOSITORY AGREEMENT AND INVESTMENT FUND SIGNATORY RESOLUTIONS**

Ms. Valencia presented the Depository and Investment Resolutions stating the revised are from recent changes in the Authority's signatories due to the retirement of Ms. Halla Razak and the addition of Mr. Shivaji Deshmukh who is the new General Manager for the Inland Empire Utilities Agency and a new Director for the Inland Empire Regional Composting Authority. She also stated that the Los Angeles County Pool Surplus Investment Fund will need to come back to the board in August to add Ms. Hyde's replacement.

Upon motion by Director Camacho, seconded by Alternate Director Ferrante, the motion carried:

### **M2019-5-5**

The Board:

1. Approved the Adopt Resolution No. 2019-5-1, authorizing and designating signatories for depository agreement, depository cards, deposits, transfers, checks, and withdrawal of funds;
2. Adopted Resolution No. 2019-5-2, authorizing participation in the Local Agency Investment Fund and designating signatories for the deposit and withdrawal of funds; and
3. Adopted Resolution No. 2019-5-3, authorizing participation in the Los Angeles County Pooled Surplus Investment Fund and designating signatories for the deposit and withdrawal of funds.

## **ORANGE COUNTY SANITATION DISTRICT BIOSOLIDS MANAGEMENT CONTRACT**

Mr. Ziegenbein stated that the Board authorized the project manager to set non-partner biosolids rates at no less than the partners rates and to market excess biosolids capacity. He further stated that IERCA and Orange County Sanitation District have been in contract for biosolids recycling for the past four years and both parties have agreed that a longer term arrangement would be beneficial. Staff recommends approving a five-year contract with renewals at set rates and escalators.

Upon motion by Director Camacho, seconded by Vice Chairperson Blickenstaff, the motion carried:

**M2019-5-6**

The Board:

1. Awarded a contract to Orange County Sanitation District for the management of their biosolids for a fee of \$56/wet ton with a \$1/year increase plus \$2/wet ton management fee for a term of five years with two one-year renewal options; and
2. Authorized the Project Manager to finalize and execute the contract.

**IEUA CONTRACT SERVICE AGREEMENT**

Mr. Ziegenbein stated that the agreement between the Inland Empire Regional Composting Authority and Inland Empire Utilities Agency for contracted services for the operations and maintenance of the Inland Empire Regional Composting Facility. He stated that the edits to the agreement were to update names, not responsibilities. He further stated that this request is to extend the agreement through June 30, 2029, with an option to renew for two (2) additional ten-year terms upon mutual agreement of both parties.

Upon motion by Director Camacho, seconded by Vice Chairperson Blickenstaff, the motion carried:

**M2019-5-7**

The Board:

1. Amended the agreement RAKB04001 between the IERCA and IEUA for contracted services for operations and maintenance of the Inland Empire Regional Composting Facility and to extend the agreement through June 30, 2029, with an option to renew for two (2) additional ten (10) year terms upon mutual agreement of both parties; and
2. Authorized the Project Manager to finalize and execute the agreement.

**DESIGN/BUILD IERCF WASH PAD COVER CONTRACT AWARD (RA17007)**

Mr. Ziegenbein introduced Mr. Mathew Poeske, Senior Engineer with IEUA. Mr. Poeske presented an overview of the design/build wash pad cover project. He stated that a construction contract be awarded to Next Stage Engineering. Mr. Poeske further stated that this project requires a wash-down area and work area where equipment can be serviced before and after shift work. The cover will protect staff from weather and will provide a structure to mount lights and air compressors so maintenance staff can do necessary routine maintenance to equipment also, the cover will also minimize stormwater from flowing into the NRWS. Mr. Poeske further stated that budget has been provided in the FY 2018/19 approved budget in the amount of \$200,000, and in FY 2019/20 proposed budget another \$250,000 for a total of \$450,000 to complete this project.

Upon motion by Alternate Director Ferrante, seconded by Director Deshmukh, the motion carried:

**M2019-5-8**

The Board:

1. Awarded a construction contract for the Design/Build of the IERCF Wash Pad Cover, Project RA17007, to Next Stage Engineering, in the amount of \$295,000; and
2. Authorized the Project Manager to finalize and execute the Contract.

**COMPOST WATER CONNECTION INTERNSHIP PROGRAM**

Mr. Ziegenbein presented a proposal to execute an internship program between Chino Basin Water Conservation District and IERCF. This program will establish a connection between healthy soils and water conservation. This intern will be expected to quantify the benefits of compost and other topics including fertilizer and pesticide reduction, carbon sequestration and plant health. Mr. Ziegenbein stated that staff would provide progress reports to the Board at future meetings.

Upon motion by Vice Chairperson Blickenstaff, seconded by Alternate Director Ferrante, the motion carried:

**M2019-5-9**

The Board:

Approved to move forward with the Internship program and allow the program to be funded up to \$10,000 a year and allow the partners to create the program and present quarterly updates to the board.

**PROJECT MANAGER'S REPORT**

Mr. Ziegenbein presented the Project Manager's Report stating that the facility has continued to maintain full throughput and that compost sales have kept up with production. He stated that the facility has recently completed the South Coast Air Quality Management District Annual Source Test of the biofilter and passed without issue maintaining a perfect environmental compliance record. He discussed some compost quality enhancements including a finished compost water spray system to increase moisture consistency and a plastic removal system to reduce film plastic throughout the process. He added that several IERCF staff the US Composting Council's Compost Operator Training Course held at Cal Poly Pomona. He added that the marketing staff continued to service over 100 active customers and that six new customers were added since February 2019.

**TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED MARCH 31, 2019**

Ms. Valencia presented the Authority's investment portfolio average rate of return in March 31, 2019, was 1.707% compared to the December 2018 yield of 1.781%. She further reported that the Interest earnings on the Authority's investment portfolio totaled \$65,956 for the year to date from July 2018 through March 2019.

**COMPLIANCE UPDATE**

Mr. Ziegenbein presented the results of the February 2019, Biofilter Source Test which follows AQMD rule 1133.2. Co-Composting regulations. He stated that this is the sixth source test completed at the IERCF since 2009, and the facility passed comfortably with no major concerns.

## **BIOSOLIDS RATE ANALYSIS**

Mr. Ziegenbein presented a summary of regional biosolids rates and recycling options stating that the trend has been to increase the overall volume into composting despite the relatively higher cost than some alternatives such as land application in Arizona. He compared IERCF's costs to other composting alternatives and added that IERCF's costs are relatively stable while market costs can fluctuate. He stated that he will continue to update the Board as the market changes.

Mr. Blickenstaff regrets that he must leave the meeting, however he wanted to thank staff for completing the Mission Statement and presenting it in a suitable manner.

Mr. Blickenstaff left the meeting at 10:55 a.m.

## **CAPITAL PROJECT UPDATE**

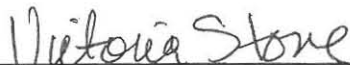
Mr. Ziegenbein introduced James Spears, Associate Engineer, IEUA. Mr. Spears presented a PowerPoint presentation update on the Compost Screen Plant #1 Replacement stating that the overall project is 80% complete and that it should be completed by the end of May 2019. Mr. Spears stated that the next project start here soon will be the Screening Area Ductwork replacement this project is in Phase 2 Design Build, he stated that this project is at 2% complete and is anticipated to be completed by mid-September 2019.

## **SOLAR UPDATE**

Mr. Ziegenbein introduced Sarah Recinto, Assistant Engineer, IEUA. Ms. Recinto provided an update on the solar/energy project. She stated that Advanced Microgrid Solutions hosted an interactive training on the solar and renewable energy. This training was intended to ensure responsibilities for caring for the batteries and solar system equipment. She added that the initial performance resulted in an estimated savings of \$16,495 with a Reduction of 1,543kW for a one-month period.

## **DIRECTORS' COMMENTS**

With no further business, Chairperson Hofer adjourned the meeting at 11:18 a.m.

  
Victoria Stone, Recording Secretary  
**APPROVED: November 4, 2019**