

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)  
NOVEMBER 4, 2019  
10:00 A.M.**

**DIRECTORS PRESENT:**

Paul Hofer, Chairperson  
Jon Blickenstaff, Vice Chairperson  
Shivaji Deshmukh, Director  
Robert Ferrante, Director  
Margaret Finlay, Director

**DIRECTORS ABSENT:**

Michael Camacho, 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  
Warren Green, Manager of Contracts, Procurement and Risk Services  
Javier Chagoyen-Lazaro, Manager of Finance and Accounting  
Christiana Daisy, Executive Manager of Engineering/AGM, IEUA  
James Spears, Associate 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 Hofer called the meeting to order at 10:00 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.

**CONSENT CALENDAR**

Upon motion by Vice Chairperson Blickenstaff seconded by Director Finlay the motion carried:

**M2019-11-1**

The Board:

Approved the Consent Calendar:

1. Minutes from the May 6, 2019 regular meeting of the Board of Directors.
2. Investment and Disbursement Reports as submitted.

**ACTION ITEMS**

**RESERVE POLICY**

Ms. Valencia presented the Reserve Policy for fiscal year 2019/20. She stated the Policy is intended to define the restricted, designated and unrestricted reserve categories. She further stated these funds would be available to if needed during a catastrophic emergency or other unplanned financial requirements. Reserve balances and rates will be reviewed at the annual budget process.

Upon motion by Director Finlay, seconded by Vice Chairman Blickenstaff, the motion carried:

**M2019-11-2**  
The Board:  
Adopted Resolution 2019-11-1, approving the Reserve Policy for Fiscal Year 2019/20.

**FISCAL YEAR 2019/20 PROPERTY INSURANCE POLICY RENEWAL**

Mr. Ziegenbein requested the board to ratify the Property Insurance Policy renewal which exceeded the budgeted amount by \$142,000. He added that premiums have been increasing significantly due to catastrophic natural disasters throughout California. The Board asked staff to research property insurance purchase options to determine if lower cost options were available. Staff committed to provide an update at the February meeting and to have a list of options for Board consideration at the May meeting.

Upon motion by Director Finlay, seconded by Vice Chairman Blickenstaff, the motion carried:

**M2019-11-3**  
The Board:  
Adopted Resolution No 2019-11-1 approving the ratification and renewal of the Authority's property insurance for Fiscal Year 2019/20 for \$371,752 including fees and taxes; and Approve to amend the insurance budget for an additional \$142,000 to cover the increase in insurance premium.

**FISCAL YEAR 2019/20 CARRY FORWARD BUDGET AMENDMENT**

Ms. Valencia presented the carry forward budget amendment. She stated that this is a basic housekeeping item, and that the encumbrances are budgeted items that were in progress and expected to be completed during the current fiscal year. The budget increased by the total carry forward amount and does not change the tipping fees or capital contributions.

Upon motion by Vice Chairman Blickenstaff, seconded by Director Finlay, the motion carried:

**M2019-11-4**  
The Board:  
Approved the carry forward for open encumbrances and related budget in the amount of \$879,629 from Fiscal Year 2018/19 to Fiscal Year 2019/20.

**WRITE-OFF OF UNCOLLECTIBLE RECEIVABLES FY 2019/20**

Mr. Ziegenbein presented the write-off of uncollectible receivables for compost sales customers which have gone out of business. Discussion ensued regarding submitting these customers to a collection agency and staff agreed to look into options but noted that write-offs have been minimal as a percent of compost sales so believes the current system will likely be the most efficient moving forward.

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

**M2019-11-5**

The Board:

Approved the write-off of uncollectible receivables for the sale of compost in the amount of \$2,025.92.

**FACILITY PAINTING CONTRACTOR**

Mr. Ziegenbein stated that the board approved a budget for painting service, but a formal bid yielded an award recommendation that required a budget amendment. Mr. Ziegenbein stated that the selected contractor has been used through-out the Inland Empire Utilities Agency and that staff has witnessed this contractor work and were satisfied with the quality of work being done. Discussion followed asking if the selection process was the best option for this type of work.

Upon motion by Vice Chairman Blickenstaff, seconded by Director Ferrante, the motion was approved with Director Finlay opposed. The motion carried:

**M2019-11-6**

The Board:

1. Awarded a service contract for painting the facility building's exterior office exteriors and interiors, gates hydrants, and safety bollards to Tony Painting not-to-exceed the amount of \$153,750;
2. Increased project RA20006 by \$28,750 for a total budget of \$153,750; and
3. Authorized the Project Manager to finalize and execute the agreement.

**PROJECT MANAGER'S REPORT**

Mr. Ziegenbein stated that the facility has maintained full throughput levels and that compost sales have kept up with production. He continued to say that staff completed an air quality source test and that it continues to run at full compliance. He provided a maintenance update and discussed an improved engine filtration system that increased reliability and reduced maintenance costs on the loaders. He reported that the sales staff is currently servicing over 100 active customers and that the IERCA's customer base is currently 65% landscape markets and 30% agriculture with 5% going to the give back program.

**TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED JUNE 30, 2019  
AND QUARTER ENDED SEPTEMBER 30, 2019**

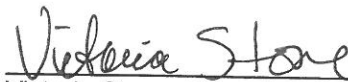
Ms. Valencia presented two Financial Affairs reports for quarters ended June 30, 2019 and September 30, 2019. She stated that the investment average of return in June 2019, was 1.759 percent compared to the March 2019 yield of 1.707 percent. She went on to present the September investment average rate of return was 1.732 percent compared to the June 2019 yield of 1.759 percent. Interest earnings on the Authority's investment portfolio totaled \$20,693 for the year from July 2019 through September 2019.

**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 95% complete and that it should be completed by the end of November 2019. Mr. Spears stated that the next project starting at IERCA soon will be the Screening Area Ductwork replacement. This project is in Phase 2 Design Build. He stated that this project is at 10% complete and is anticipated to be completed by November 2019. Mr. Ziegenbein also stated that there is another capital project to cover the wash pad. This project is at 5% complete and should be completed early next year.

**DIRECTORS' COMMENTS**

With no further business, Chairperson Hofer adjourned the meeting at 11:36 a.m.

  
Victoria Stone, Recording Secretary  
**APPROVED: February 3, 2020**