

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)
MAY 3, 2021
VIA - TELECONFERENCE
10:00 A.M.**

DIRECTORS PRESENT via Video/Teleconference:

Jon Blickenstaff, Chairperson
Paul Hofer, Vice Chairperson
Shivaji Deshmukh, Director
Margaret Finlay, Director
Robert Ferrante, Director
Jasmine A. Hall, Director

DIRECTORS ABSENT:

None

OTHERS PRESENT via Video/Teleconference:

Jeff Ziegenbein, Project Manager, IERCA
Mike Sullivan, Assistant Project Manager, IERCA
Christina Valencia, Treasurer, IERCA
Marty Cihigoyenette, General Counsel
Christiana Daisy, Deputy General Manager, IEUA
Randy Lee, Executive Manager of Operations/AGM, IEUA
Javier Chagoyen-Lazaro, Manager of Finance and Accounting, IEUA
Denise Garzaro, Board Secretary/Office Manager, IEUA
Victoria Stone, Recording Secretary, IERCA

A regular meeting of the Board of Directors of the IERCA was held at the Inland Empire Utilities Agency Headquarters building located at 6075 Kimball Ave, Chino CA, **via Video/Teleconference** on the above date.

CALL TO ORDER

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

PUBLIC COMMENT

There were no public comments.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

INTRODUCTION – RETIREMENT

Mr. Ziegenbein, introduced Victoria Stone, Recording Secretary, and stated that she will be retiring from the Agency/Authority at the end of May. He stated that Victoria has been the Recording Secretary for the Authority since 2004 and staff at the Agency for 32 years. The Board congratulated Ms. Stone on her future retirement plans and Mr. Ziegenbein presented Ms. Stone with a congratulatory plaque on behalf of the Board.

CONSENT CALENDAR

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

M2021-5-1

The Board:
Approved the Consent Calendar.

1. Minutes from the February 1, 2021, regular meeting of the Board of Directors.
2. The Investment and Disbursement Report as submitted.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Hofer, Ferrante, Finlay, Hall
Noes: None
Absent: None
Abstain: None

ADOPTION OF BUDGET FOR FISCAL YEAR 2021/22

Christina Valencia, IERCA Treasurer, presented the budget for Fiscal Year 2021/22 stating that staff is requesting an increase in the tipping fee from \$57 to \$58 per wet ton of biosolids and a capital call of \$2 million as needed. She added that there is no change in headcount and most of the increase is due to rising costs of energy, labor, and insurance.

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

M2021-5-2

The Board:
Adopted the Inland Empire Regional Composting Authority (IERCA) budget for fiscal year 2021/22;

Increased the tipping fee from \$57 to \$58 per wet ton; and

Approved a capital call of \$2 million to be shared equally by the Inland

Empire Utilities Agency (IEUA) and Los Angeles County Sanitation Districts (LACSD) to support capital improvement project costs and meet the minimum reserve balance, as needed.

With the following roll call vote:

Ayes: Blickenstaff, Hofer, Deshmukh, Ferrante, Hall, Finlay
Noes: None
Absent: None
Abstain: None

ANNUAL MANAGEMENT PLAN

Mr. Ziegenbein presented the Annual Management plan stating that there are no new changes this year. The Plan prioritizes maintaining a safe work environment, maximizing facility throughput, maintaining 100% regulatory compliance, maintaining optimal staffing and expanding the compost markets by selling all compost at optimum pricing.

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

M2021-5-3

The Board:

Approved the Fiscal Year 2021/22 Annual Management Plan.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

MASTER SERVICE AGREEMENT WITH RDO EQUIPMENT COMPANY

Mr. Ziegenbein stated that RDO Equipment Company has provided the IERCA with parts and service on the John Deere loader fleet and Wildcat trommel screens since the facility began operating in 2007. He added that RDO provides parts on consignment at the IERCF warehouse increasing parts availability while reducing costs. RDO provides field service for IERCF equipment as needed as well as repairs at their shop in Riverside when necessary. They have also provided rental machines at no cost to the IERCA when a loader is down for an extended period of time under warranty. Staff is recommending to reduce the contract value as there has been a significant reduction in parts and service for the trommel screens since one of the screens was replaced in 2020.

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

M2021-5-4

The Board:

Approved a Master Service Agreement with RDO Equipment Company (RDO) to provide parts, service, and equipment rental in support of the IERCF mobile equipment fleet and stationery trommel screens from an annual not-to-exceed \$325,000.

Authorized the IEUA Manager of Contracts and Procurement to finalize and execute the purchase agreement.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

ADOPTION OF DEPOSITORY AGREEMENT AND INVESTMENT FUND SIGNATORY RESOLUTIONS

Ms. Valencia stated that investment fund signatory resolutions have been revised to reflect recent changes in the Authority's authorized signors.

Upon motion by Director Finlay, seconded by Vice Chairperson Hofer, the motion carried:

M2021-5-5

The Board:

Adopted Resolution No. 2021-5-1, authorizing and designating signatories for depository agreements, depository cards, deposits, transfers, checks, and withdrawal of funds.

Adopted Resolution No. 2019-5-2, authorizing participation in the Local Agency Investment and designating signatories for the deposit and withdrawal of funds.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

ADOPTION OF THE INVESTMENT POLICY FOR FY 2021/22

Ms. Valencia presented the Investment Policy which establishes procedures and guidelines for the Authority's investments. The Policy encompasses funds over which the Authority exercises

fiscal control, stipulates allowable and unallowable investment alternatives, and establishes parameters for selecting broker/dealers and financial institutions with which the Authority may do business. The Policy also prioritizes the IERCA's public funds management objectives of safety, liquidity, and yield.

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

M2021-5-6

The Board:

Adopted Resolution No. 2021-5-3, approving the Authority's Investment Policy for FY 2021/22.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

COMPOST TRANSPORTATION SERVICE

Mr. Ziegenbein presented a recommendation for compost transportation service agreements stating that three contractors; Viramontes Express, Inc., Denali Water Solutions, Inc. and Eggleton Trucking, Inc. submitted responsive proposals on March 25, 2021. A review of the submittals indicated that Viramontes Express, Inc. and Eggleton Trucking, Inc. were the low bidders and that they both have extensive experience hauling compost material for IERCA as well as other producers in the region. The current proposed prices represent a slight increase compared to previous prices. Further, Viramontes Express, Inc. has been a Vendor of the Year for the IEUA and is also a customer of the IERCA purchasing compost on a regular basis. Additionally, Viramontes has specialty equipment such as truck and transfers that allow for deliveries to tight quarters like homeowners and small supply yards. Eggleton Trucking, Inc. provides farm spreading services which help with compost sales to the agricultural market. Viramontes Express, Inc. and Eggleton Trucking, Inc. are best qualified with the lowest price and are therefore recommended to be selected as the compost transportation service providers.

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

M2021-5-7

The Board:

Approved a five-year contract with two one-year renewal options with Viramontes Express, Inc. and with Eggleton Trucking, Inc. for compost transportation services for an annual total of up to \$250,000 each; and

Authorized the Project Manager to finalize and execute the contracts.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

PURCHASE OF WHEEL LOADER AND BUDGET AMENDMENT

Mr. Ziegenbein presented a recommendation to purchase a wheel loader and a budget amendment cover the costs of procurement. He stated that staff did a Request for Information to determine the latest technology and best options for their equipment to operate effectively in the facility. The information was used to develop specifications for a Request for Proposal. Staff reviewed three proposals and selected Liebherr as best value and recommend that the Board approve the purchase. Mr. Ziegenbein added that California air rules require equipment upgrades and the Liebherr would meet those requirements. After field testing, staff intends to return to the Board with a recommendation for fleet replacement in 2022.

Upon motion by Director Hall, seconded by Vice Chairperson Hofer, the motion carried:

M2021-5-8

The Board:

Approved the purchase of one Liebherr L-566 wheel loader for approximately \$540,000 including taxes, delivery, warranty;

Approved a budget amendment for \$40,000; and,

Authorized the IEUA Manager of Contracts and Procurement to finalize and execute the agreement.

With the following roll call vote:

Ayes: Blickenstaff, Deshmukh, Ferrante, Hofer, Finlay, Hall
Noes: None
Absent: None
Abstain: None

PROJECT MANAGER'S REPORT

Mr. Ziegenbein summarized the facility's throughput levels stating that biosolids levels are at approximately 650 wet tons and amendments at 300 wet tons per day representing full capacity. He further stated that compost sales volumes are exceeding production volumes. Mr. Ziegenbein continued with a COVID-19 update stating that the facility has been operating full production while following the CDC guidelines to keep staff healthy. Mr. Ziegenbein stated that the maintenance staff continue to maintain the pugmill mixer and repair outdoor lighting around the

facility. Mr. Ziegenbein added that the facility continues to be closed to the public due to the COVID-19 Pandemic therefore, there are no tours of the facility.

Chairperson Blickenstaff left the meeting at 10:52 a.m.

TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED MARCH 31, 2021

Ms. Valencia presented the Treasurer's Report of Financial Affairs for the quarter ended March 31, 2021 is hereby submitted in a format consistent with State requirements. As shown in the table below, March's total cash, investments, and restricted deposits equaled \$3,265,185 showing an increase of \$860,524 when compared to the December balance of \$2,404,661. The increase was mainly due to higher biosolids receipt and lower cash outflows for operating and administrative expenses.

The Authority's investment portfolio average rate of return in March 2021(1) was 0.240 percent compared to the December 2020 yield of 0.353 percent. As the COVID-19 pandemic continues, economic activity remains sluggish and interest rates remain relatively low. Interest earnings for the quarter ended March 31, 2021 were \$2,617.

DIRECTORS' COMMENTS

Chairperson Jon Blickenstaff - None

Vice Chairperson Paul Hofer - None


Director Shivaji Deshmukh - None

Director Margaret Finlay - None

Director Robert Ferrante - None

Director Jasmine A. Hall – Stated that she is pleased to be back on the IERCA Board.

With no further business, Chairperson Blickenstaff adjourned the meeting at 10:55 a.m.


Victoria Stone, Recording Secretary

APPROVED: August 2, 2021

