

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
THE INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (IERCA)
MAY 7, 2018
10:00 A.M.**

DIRECTORS PRESENT:

Jon Blickenstaff, Chairperson
Jasmin A. Hall, Vice Chairperson
Grace Hyde, Director
Paul Hofer, Director

DIRECTORS ABSENT:

Halla Razak, Director
Margaret Finlay, 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
Michael Sullivan, Assistant Department Head, SDLAC
Matt Bao, Supervising Engineer | Reuse and Compliance, SDLAC
Martin Cihigoyenatche, General Counsel
Jesse Pompa – Senior Engineer, IEUA
Jeff King, Compost Facility Superintendent, IERCA
Joshua Oelrich, Compost Facility Superintendent, 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 10:00 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.

CONSENT CALENDAR

Upon motion by Director Hall seconded by Director Hyde, Director Hofer abstained from voting and the motion carried:

M2018-5-1

The Board:

Approved the Consent Calendar:

- A. Minutes from the February 5, 2018 regular meeting of the Board of Directors.
- B. Investment and Disbursement Report as submitted.

ACTION ITEMS

A. ADOPTION OF BUDGET FOR FISCAL YEAR 2018/19

Christina Valencia, IERCA Treasurer, presented the proposed budget for fiscal year 2018/19 stating the tipping fee will remain at \$56 per wet ton. Ms. Valencia stated that the proposed budget includes a carry forward of a \$1,000,000 capital call to support capital improvements as needed throughout the year. Ms. Valencia further stated that staffing levels will continue to be 25 full time employees.

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

M2018-5-2

The Board:

1. Approved the Inland Empire Regional Composting Authority (IERCA) budget for fiscal year 2018/19;
2. Maintained the tipping fee rate at \$56 per wet ton; and
3. Approved a capital call of \$1,000,000 to be shared equally by the Inland Empire Utilities Agency (IEUA) and the Sanitation District No. 2 of Los Angeles County (SDLAC) to support capital improvement project costs, as needed.

B. ADOPTION OF THE INVESTMENT POLICY FOR FY 2018/19

Ms. Valencia presented the Investment Policy for Fiscal Year 2018/19 stating that the Policy mandates annual review and Board approval. Ms. Valencia added that given the average amount of surplus and required liquidity to support ongoing operations and capital activities, recent investment of surplus funds has been limited to the Los Angeles County Pool Investment fund.

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

M2018-5-3

The Board:

Approved Resolution No. 2018-5-1 Authority's Investment Policy for FY 2018/19.

C. ANNUAL MANAGEMENT PLAN

Project Manager Jeff Ziegenbein gave an overview of the IERCF Annual Management Plan stating that the Plan is submitted to the Board for approval by June of each year. He stated that key focus areas of the Plan are maximizing facility throughput, maintaining 100% regulatory compliance, maintaining a safe work environment and optimal staffing. Mr. Ziegenbein stated that the compost market is expanding, and that all compost is being sold at an optimum price.

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

M2018-5-4

The Board:

Approved the Annual Management Plan for FY 2018/19.

D. CORRODED COLUMN REPAIR PROJECT

Mr. Ziegenbein presented the corroded column repair stating that Staff inspected a row of non-encased columns and discovered deterioration due to corrosion. An engineer was retained to evaluate the columns and develop a plan to repair. This project will structurally retrofit the columns to return them to their original strength and encase them to protect them from future corrosion. IEUA sent an invitation for bids and selected W.A. Rasic Construction Company with the lowest responsive and responsible bidder with a bid price of \$142,000.

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

M2018-5-5

The Board:

1. Awarded a construction contract for the Corroded Column Repair, Project No RA18101.03, to W.A. Rasic Construction Company in the amount of \$142,000; and
2. Authorized the Project Manager to finalize and execute the Contract.

PROJECT MANAGER'S REPORT

Mr. Ziegenbein stated the facility continues to operate a full capacity and that staff has completed over 7 years with no loss time incidents. He presented a copper mug representing the 7 years of Safety Excellence to each Board member. Mr. Ziegenbein introduced Jesse Pompa, IEUA Senior Engineer, who gave an update on the 1.5MW battery storage project currently under construction at RP-4. The design phase of the additional 1.5MW of solar panels to be installed on the IERCF roof is expected to be completed in May 2018. A condition assessment of the roof is underway to ensure the integrity is the roof will not be compromised through the life of the project. Mr. Ziegenbein continued with the Outreach Update stating that the team continues to communicate the benefits of compost and to promote the IERCF. Mr. Ziegenbein stated that SoilPro was present at both IEUA and SDLAC Earth Day celebrations as well as at ICAW in Chino. Mr. Ziegenbein further went on to update the Board on the sales and marketing for the quarter stating that staff is currently servicing over 130 active customers and over the last quarter we have added three new customers.

TREASURER'S REPORT OF FINANCIAL AFFAIRS FOR THE QUARTER ENDED MARCH 31, 2018

Ms. Valencia presented the Treasurer's Report of Financial Affairs for the quarter ended March 31, 2018. She stated that the Authority's investment portfolio average rate of return for March 2018 was 1.279% reflecting an increase of 0.138% when compared to the December 2017 yield of 1.141%. The increase was due to the increase in the LA County Pooled Investment earnings yield from 1.39% in December 2017 to 1.63 in March 2018.

CALIFORNIA ORGANICS

Mr. Ziegenbein gave a Powerpoint presentation summarizing organics management policies in California. He noted that Southern California is doing half of the state's composting and that the state needs more infrastructure and markets for the increased volumes of organic waste expected to be diverted from landfills due to policy changes. He added that compost manufacturers have been working with regulatory agencies via AB 1045 to remove barriers and expand compost infrastructure and markets.

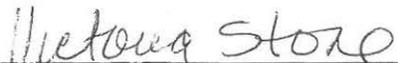
IERCA MISSION STATEMENT

Chairman Blickenstaff requested that staff present existing mission statements from IEUA and LACSD as well as relevant recycling companies for discussion at the August 6, 2018 Board meeting.

DIRECTORS' COMMENTS

None.

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


Victoria Stone, Recording Secretary
APPROVED: AUGUST 6, 2018