

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 9, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on August 9, 2016 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Stitle presiding.
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL:**

Present: Member Stitle, Member Clyde, Member Moss, Alternate Martinez.

Absent: Member Ross, Member Hensley.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Associate Engineer Powers, Administrative Analyst Gray.

No members of the public were present.
4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

There were no changes to the agenda.
5. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

There were no comments.

COMMITTEE ACTION ITEMS

6. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*7. **APPROVAL OF MINUTES**
A. July 12, 2016

Motion:

To approve the minutes as written.

Action: Approve, Moved by Member Stitle, Seconded by Member Moss.

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Abstain = 1).

Ayes: Member Stitle, Member Moss, Alternate Martinez.

Abstain: Member Clyde.

8. DISCUSSION AND POSSIBLE ACTION REGARDING ASSET VALUATION

Mr. Kennedy introduced Tara Hollis and Jerry Hartman of Willdan Financial Services. He recalled how the committee had discussions late last year about looking at RMWD's asset valuation in preparation for capacity fee adjustments and how Willdan has been contracted to conduct a capacity fee study. He referenced the materials presented that include the results of said study.

Ms. Hollis and Mr. Hartman gave a presentation on the overview of the asset valuation as well as the results of the appraisal.

Mr. Kennedy pointed out there are basic methodologies that are standard in the industry and court tested and approved that RMWD will follow which is why an expert was hired to conduct this study on behalf of the District.

** The recorder stopped recording at 2:03 p.m.*

9. MONTHLY FINANCIAL REPORT

- A. Balance Sheet
- B. Financial Statement
- C. Developer Update
- D. Water and Sewer Sales Update

10. DEMONSTRATION OF SPRINGBROOK

11. UPDATE ON AUDIT PROCESS

12. STRATEGIC PLAN UPDATE

** The recording restarted at 2:54 p.m.*

It was noted there was a typo that needed to be changed to "contributed' capital".

Mr. Kennedy updated the Committee on the various items in the Strategic Plan as well as mentioned some of the items that may be coming to the Committee in the near future for discussion.

Discussion ensued regarding the November 8, 2016 General Election.

13. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED BUDGET AND FINANCE COMMITTEE MEETING

It was noted review of the financial policies within the Administrative Code, a review of the draft capacity fee study, as well as the cash flow and reserves report.

14. ADJOURNMENT

Motion:

To adjourn.

Action: Approve, Moved by Member Clyde, Seconded by Member Moss.

Vote: Motion carried by unanimous vote (summary: Ayes = 4).

Ayes: Member Stitle, Member Clyde, Member Moss, Alternate Martinez.

The meeting adjourned at 3:16 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary