

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 7, 2013**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Carlstrom on February 7, 2013 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:05 p.m. Chairperson Carlstrom presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Carlstrom
Member Clyde
Member Ross

Absent: Member Fagan
Member Lucy
Member Stitle
Member Hensley

Also Present: General Manager Seymour
Finance Manager Buckley
District Engineer Plonka
Executive Assistant Washburn
Senior Accountant Thomas
HR/Safety Manager Bush
Director Brazier

There were no members of the public present.

4. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

There were no comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

Mr. Clyde welcomed Mr. Ross to the committee.

*6. **APPROVAL OF MINUTES**

A. January 10, 2013

Action:

Moved by Member Clyde to approve the minutes as written. Seconded by Member Ross.

After consideration, the motion CARRIED by the following vote:

AYES: Member Carlstrom, Member Clyde and Member Ross.
NOES: None.
ABSTAINED: None.
ABSENT: Member Fagan, Member Lucy, Member Stitle and Member Hensley.

7. DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE OFFICER APPOINTMENTS

Mr. Carlstrom recommended a vote be taken at the next Budget and Finance Committee meeting. He said he did not intend to run; however, he will remain on the committee.

It was noted for the record the Committee with hold election of officers at its next meeting.

8. UPDATE AND DISCUSSION OF RECENT RMWD BOARD MEETING

Mr. Carlstrom read aloud the comments he made during the Budget and Finance Committee report at the Board meeting.

Mr. Seymour mentioned the Board approved a Change Order for the Highway 76 project, a Special Board meeting on February 12th at FPUD, as well as keeping the same officers and representatives.

9. INFORMATIONAL UPDATE REGARDING POTENTIAL ANNEXATION AND PROGRESS WITH DEVELOPERS (KIRSTEN PLONKA)

Kirsten Plonka stated that the project formerly known as Campus Park has been renamed Horse Ridge Creek. She said that this project has their sewer EDU's paid for, but will need to purchase water meters for connection to our system. She added that Campus Park West was moving forward; they would need to purchase both sewer and water connections. She summarized Warner Ranch as being located out by the Pala Casino and that they would also need to purchase both water and sewer connections.

Mr. Carlstrom clarified his interest in receiving a summary of the projects that in process that would show the number of connections needed for each development and the potential revenue due the district. Ms. Plonka responded that she could prepare that for the committee.

10. UPDATE REGARDING STATUS OF CONSTRUCTION PROJECTS (KIRSTEN PLONKA)

Ms. Plonka informed the committee that the Morro Chloramination project should be completed by mid-March.

11. UPDATE AND DISCUSSION REGARDING POTENTIAL JPA/CONSOLIDATION OF WATER DISTRICTS (DAVE SEYMOUR)

Mr. Buckley distributed the three draft JPA documents to the committee. Mr. Seymour summarized the potential problem of having only one general manager for two districts. He said that one of the two legal firms believes that the law requires that each district have a distinct general manager. Mr. Clyde asked about potential savings from the JPA efforts. Mr.

Seymour said that the studies show that the savings is all in managers' wages and benefits. Mr. Seymour informed the committee that a joint meeting of the two district boards will be held at FPUD offices on February 12th at 4:00 p.m. The meeting will mostly consist of the two boards giving input for the JPA Agreement document. Mr. Seymour added that the JPA board would most likely consist of three members from each existing district board plus one at-large member selected from the community.

12. REVIEW OF YEAR TO DATE FINANCIAL STATEMENTS AT 12/31/12.

Mr. Buckley updated the committee with financial results for the six months ending 12/31/12. He said that water sales were ahead of the prior year by 11% and that operating expenses were under budget by 9%.

13. REVIEW AND DISCUSSION OF BUDGET OBJECTIVE FOR 2013-14.

Mr. Buckley distributed a list of assumptions for the upcoming budget process. The committee agreed that 20,000 acre feet of water made sense for projections. Mr. Buckley added that 20,000 acre feet is the amount contained in the 5-year forecast. He explained that any cost savings from the JPA formation would be calculated as more information is released.

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

Election of Officers.
Budget updates.
JPA updates.

15. ADJOURNMENT

The meeting adjourned at 2:18 p.m.

Larry Carlstrom, Committee Chairperson

Dawn M. Washburn, Board Secretary