

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 12, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on April 12, 2016 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Ross, Member Clyde, Member Moss

Absent: Member Hensley

Also Present: Executive Assistant Washburn, Finance Manager Martinez, Engineering Manager Kirkpatrick

One member of the public was present.

4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**

Motion:

To add an item to add Pam Moss as a regular member effective at the next meeting.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Member Stitle, Member Ross, Member Clyde.

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. March 8, 2016

Motion:

To accept the minutes.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 3).

Ayes: Member Stitle, Member Ross, Member Clyde.

8. DISCUSSION REGARDING BUDGET PROCESS AND TIMELINES

Mrs. Martinez mentioned several sections of the budget have been reviewed with the help of project managers and staff. She stated the next budget item she was currently working on was capital expenditures. She noted she hoped to have a draft of the whole budget by the end of April for review by the Budget and Finance Committee and then again at the joint Board/Budget and Finance Committee meeting on May 24, 2016.

Mrs. Martinez reported Automatic Meter Infrastructure (AMI) was being pursued by staff through multiple vendors. Discussion followed.

Member Moss arrived at 1:10 p.m.

9. DISCUSSION AND POSSIBLE ACTION REGARDING FINANCING THE MASTER PLAN

Mrs. Martinez talked about the water reclamation plant being projected at \$66 million. Mrs. Kirkpatrick pointed out she had drafted all the CIP projects for wastewater to help make determinations with the reclamation plant in mind. She stated depending on how the District proceed either the water reclamation plant or upsizing of North River Road will be removed from the project list.

10. DISCUSSION AND POSSIBLE ACTION REGARDING METER CAPACITY ZONES

Mrs. Kirkpatrick mentioned Mr. Kennedy has been talking about differentiating between the meter size and actual usage. Discussion ensued.

11. UPDATES

A. Strategic Plan

It was noted some of the previously set goals and objectives are currently being implemented and that more strategic plan matters will be discussed during the budget process.

B. CIP with Update from Developers as to Dates

Mrs. Kirkpatrick gave an update on Green Golf Estates. Discussion followed regarding some of the other proposed developments including Campus Park West and Warner Ranch.

C. Accela (Springbrook)

Mrs. Martinez reported the human resources module training was scheduled for the upcoming week. She also mentioned since the Board had approved different forms of payments, ACH payments have started with those vendors who elected to do so. She pointed out electronic approvals have also been implemented with internal controls in place. Discussion ensued regarding how the matter of water allocations and TSWAR customers will be addressed.

12. MONTHLY WATER AND SEWER SALES REPORT WITH PROJECTIONS FOR REMAINDER OF YEAR

Mrs. Martinez stated the information provided in the handout was consistent with what she provided to the committee last month. She pointed out the projections may change as the actual numbers come in which may slightly bring down the revenue.

13. MONTHLY FINANCIAL REPORT

Mrs. Martinez referenced the next set of reports noting they were very condensed and summarized. She talked about the water and sewer funds and how RMWD was presently facing a deficit in the water fund and showing a slight profit in the sewer fund. She pointed out MWD was proposing a rated average increase of approximately 12% which will be passed through to RMWD by SDCWA and that RMWD in turn has the option of passing those increases through to the ratepayers. It was noted Mr. Kennedy was currently at MWD most likely to discuss this matter.

Mr. Stitle asked when the transition to Accela (Springbrook) will be complete. Mrs. Martinez stated it was more in their control and with Accela being short staffed right now she would assume it would be in mid-August.

Mrs. Kirkpatrick suggested having a historical usage category on the RMWD water bill may be helpful to the customers.

14. REVIEW OF GROUNDWATER ISSUE

Mrs. Kirkpatrick mentioned staff was still in discussions with West Yost in regards to the model.

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

It was suggested there be an item for the meter classifications to be provided by Mr. Diaz as well as an item regarding adding water conservation/resources to the budget.

16. ADJOURNMENT

The meeting was adjourned with a motion made by Member Clyde and seconded by Member Stitle.

The meeting adjourned at 1:46 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary