

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
FEBRUARY 9, 2021**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on February 9, 2021 by Chairperson Nelson in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. *(Due to COVID restrictions the meetings are being held virtually.)* Chairperson Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Rindfleisch *(via video conference)*, Member Nelson *(via video conference)*, Member Hensley *(via video conference)*, Member Ross *(via video conference)*.

Absent: Member Johnson.

Also Present Via Teleconference or Video Conference:

General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent, Senior Accountant Rubio, Construction and Maintenance Supervisor Lagunas, Information and Technology Manager Khattab.

One member of the public was present via teleconference or video teleconference.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

Mr. Nelson read aloud the instructions for those attending the meeting via teleconference or video conference.

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

There were no changes to the agenda.

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

There were no comments.

*7. **APPROVAL OF MINUTES**

A. January 12, 2021

Motion:

To accept the minutes as presented.

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

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

Ayes: Member Rindfleisch, Member Hensley, Member Nelson, Member Ross.

8. GENERAL MANAGER COMMENTS

Mr. Kennedy spoke about an article published by SDCWA to which he and Mr. Bebee responded in an article published in The Village News.

9. FINANCE MANAGER COMMENTS

Ms. Largent addressed the email she received from Mr. Hensley following the last committee meeting. She explained the some of the information contained in the detailed reports she provides each month are required by both the State and RMWD Administrative Code. She recommended the committee members focus more on the summary reports and then refer to the more detailed reports should they need additional information.

10. COMMITTEE MEMBER COMMENTS

Mr. Nelson suggested the committee consider recommending the Board appoint an alternate to serve on this committee. It was confirmed appointment would be included on the next committee meeting agenda.

***11. MID-YEAR BUDGET REVIEW**

Ms. Largent presented the mid-year budget review. She summarized the information contained in the report. Mr. Kennedy shared some background information as to how the proposed adjustments were determined.

Mr. Rindfleisch inquired about the Rainbow Heights upgrades project. Mr. Kennedy explained this project was currently under construction and is anticipated to be complete in the by the end of the fiscal year.

Mr. Nelson pointed out this would most likely be the biggest year of actual capital expenditures in a very long time.

Discussion ensued regarding the chart contained on Page 9 of the report.

12. PAYMENT PORTAL UPDATE

Ms. Largent noted the update was going very well with 1,470 customers already signed up. She stated an additional 1,100 customers whose payments were being remitted via a process entitled direct debit have been identified that will automatically be set up to have their payments processed in the same manner as autopay.

Mr. Nelson asked what percentage of bills will be paid via this process. Ms. Largent answered approximately 25% will be processed through autopay or direct debit; however, now that staff was confident in the system, they will be encouraging more customers to sign up for these options.

13. CAL STATE UNIVERSITY SAN MARCOS (CSUSM) PROJECT UPDATE

Ms. Largent explained she and Mr. Kennedy had a phone conversation with CSUSM advisors during which time the District was provided with option for undergraduate work to be conducted to make up for the work conducted being incomplete. She mentioned the District has decided to turn over some human resources work which has since been accepted by CSUSM.

Mr. Kennedy mentioned CSUSM will be conducting a class and comp study on behalf of the District and, if available in the Fall, will make another attempt on the rate model. Mr. Nelson asked how CSUSM would be compensated for these two projects. Mr. Kennedy stated CSUSM has agreed to conduct the work on these projects free of charge.

Mr. Rindfleisch talked about his experience in this area and offered to assist Mr. Kennedy and Ms. Largent with this matter. Mr. Kennedy offered to schedule a meeting with him and Ms. Largent so they can discuss the projects in greater detail. Discussion ensued.

14. WATER SERVICE UPGRADE PROJECT (WSUP) UPDATE

Mr. Kennedy announced the project was 43% complete with the backfills caught up. He mentioned the District was currently recruiting for a new temporary employee to fill a position that recently became vacant. He explained there have been some minor customer claims associated with the project which have all been actively addressed.

***15. MONTHLY BOARD FINANCE PACKET REVIEW**

Ms. Largent shared the information letter to be provided in the Board meeting agenda packet noting this would be the area on which committee members should focus to receive updates on the current financials. She explained the information that was separated out. Mr. Kennedy provided additional details.

Discussion ensued regarding the water sales report.

Mr. Kennedy encouraged the committee members to provide Ms. Largent with any additional input.

Mr. Hensley thanked Mr. Nelson for the questions he raises at each meeting.

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

It was noted the appointment of an alternate committee member, a WSUP Update, and budget process plan should be on the next committee agenda.

17. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting adjourned at 1:51 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary