

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 5, 2012**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Carlstrom on April 5, 2012 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. Chairperson Carlstrom presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Fagan
Member Lucy
Member Carlstrom
Member Clyde
Member Stitle

Absent: Alternate Duganski
Member Petty

Also Present: General Manager Seymour
Finance Manager Buckley
Project Manager Miller
Superintendent Maccarrone
Accountant Thomas
Engineer Lee
Human Resources 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**

There were no comments.

Mr. Clyde expressed concern with the committee membership when Mrs. Walson resigned and Ms. Duganski missing several meetings and not completing her Form 700. It was determined this should be on the next committee agenda for consideration.

There was additional discussion regarding reducing the size of the committee.

Discussion went to Item #9.

***6. APPROVAL OF MINUTES**
A. March 1, 2012

Action:

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

After consideration, the motion CARRIED by the following vote:

AYES: Member Fagan, Member Lucy, Member Carlstrom, Member Clyde and Member Stitle.

NOES: None.

ABSTAINED: None.

ABSENT: Alternate Duganski and Member Petty.

7. UPDATE AND DISCUSSION OF RECENT BOARD MEETING

Mr. Carlstrom talked about the Committee recommendations he put on record with the Board at their last meeting. He also pointed out the Board selected the audit firm recommended by Mr. Buckley and the committee. He reported on the other items which the Board voted on at their March 27th meeting.

Discussion ensued regarding the Caltrans project.

Discussion returned to Item #5.

8. DISCUSSION AND POSSIBLE ACTION REGARDING REVIEW OF DRAFT BUDGET FOR THE 2012-13 FISCAL YEAR. PLEASE BRING BUDGET DOCUMENTS FOR DISCUSSION

Mr. Buckley announced there was a good possibility of a joint committee and special Board meeting on May 3rd to discuss the budget. Director Lucy asked for a budget discussion item to be on the next Board meeting agenda. Discussion ensued.

Mr. Buckley gave a brief introduction to the basic set-up of the budget book. He referenced Page #20-13 as he reminded everyone where the District was and why the sales numbers have been downgraded. He noted the IAWP program would be ending on December 31st and the SAWR program may be discontinued should SDCWA not be able to reconstitute the program.

Mr. Lucy talked about the changes in the agricultural community where some growers have decided to stay in business; however, many may decide to use their own water via wells or other resources which in turn could reduce RMWD's water sales.

Mr. Buckley pointed out staffing positions have gone from 56 last year to 53 this year.

Mr. Buckley talked about the rate increases and other charges that have been implemented. He pointed out these numbers are predicated starting January 1, 2012. Discussion ensued regarding implementing a proposed \$.03 increase to RMWD's rates and how it should be addressed if approved.

Mr. Buckley noted some changes may need to be made to the sewer portion of the budget in May. Discussion ensued regarding the fluctuation in the sewer calculations and how the differences can be allocated rationally.

Mr. Buckley pointed out there was no consideration in the budget for new loans that could happen as well as any potential costs savings from consolidation efforts that are currently under review.

Mr. Buckley summarized departmental changes in the budget due to some current reorganization of staff higher level positions to assist RMWD continue to function effectively. He encouraged the committee members to review these changes in the budget on their own.

Mr. Buckley pointed out on Budget Summary Page 1, Reserve Funding, referred to money being transferred between RMWD water funds. He noted a portion of the \$3.4M included the reservoir charges that were implemented. He pointed out a new summary page will be provided to clarify the numbers provided.

Mr. Buckley talked about the projected water and sewer CIP expenditures for this budget year.

Discussion ensued regarding the sewer and water Revenue and Expense Reports provided by Mr. Buckley.

Discussion took place on the five-year cash forecast.

Mr. Buckley explained the call center sections contained in the budget. He noted he will add the Calpers retirement plan funds to the budget due to the fact the balance was now paid in full. He pointed out the Organizational Chart will be provided within the next month.

Mr. Lucy said it takes 14 homes to equal an acre of what an avocado grove would use in water.

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

It was determined the committee membership, a possible reduction in the number of members to serve on this committee should be on the next agenda, and discussion and possible action to recommend approval of the budget by the Board. It was noted the next committee meeting will have the Board present for the Special Board meeting.

Discussion went to Item #8.

10. ADJOURNMENT

Action:

Moved by Member Stitle to adjourn to a Budget and Finance Committee and Special Board Meeting on May 3, 2012. Seconded by Member Clyde.

After consideration, the motion CARRIED by the following vote:

AYES: Member Fagan, Member Lucy, Member Carlstrom, Member Clyde and Member Stitle.
NOES: None.
ABSTAINED: None.
ABSENT: Alternate Duganski and Member Petty.

The meeting adjourned at 2:31 p.m.

Larry Carlstrom, Committee Chairperson

Dawn M. Washburn, Board Secretary