



BUDGET AND FINANCE COMMITTEE MEETING

RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, May 14, 2019
Budget and Finance Committee Meeting - Time: 1:00 p.m.

District Office **3707 Old Highway 395** **Fallbrook, CA 92028**

Notice is hereby given that the Budget and Finance Committee will be holding a regular meeting beginning at 1:00 p.m. on Tuesday, May 14, 2019.

AGENDA

- 1. **CALL TO ORDER**
- 2. **PLEDGE OF ALLEGIANCE**
- 3. **ROLL CALL: Harry Stitle (Chair)_____ Randy Ross (Vice Chair)_____**
Members: Peter Hensley _____ Pam Moss_____ Mig Gasca _____
Alternates: Flint Nelson _____
- 4. **SEATING OF ALTERNATES**
- 5. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
- 6. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

COMMITTEE ACTION ITEMS

- 7. **COMMITTEE MEMBER COMMENTS**
- *8. **APPROVAL OF MINUTES**
 A. April 9, 2019
- 9. **RATE CONCEPTS**
- 10. **DISCUSSION REGARDING DRAFT BUDGET**
- 11. **INFOR CLOUDSUITE FINANCIAL IMPLEMENTATION UPDATE**
- 12. **INFOR PUBLIC SECTOR (UTILITY BILLING) IMPLEMENTATION UPDATE**
- 13. **FLUME PROJECT UPDATE**

14. AUDIT UPDATE

15. REVIEW THE FOLLOWING:

- A. Statement of Revenue and Expenses
- B. Balance Sheet
- C. Treasurer's Report

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

17. ADJOURNMENT

ATTEST TO POSTING:



For: Carl Rindfleisch
Secretary of the Board

5-6-19 @ 1:30 p.m.

Date and Time of Posting
Outside Display Cases

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 9, 2019**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on April 9, 2019 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:03 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Gasca, Alternate Nelson

Also Present: General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent, Customer Service Supervisor Rubio.

Absent: Member Ross, Member Hensley, Member Moss.

4. **SEATING OF ALTERNATES**

Mr. Stitle noted Mr. Nelson would be seated as an alternate.

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

There were no changes.

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

There were no comments.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*8. **APPROVAL OF MINUTES**

A. March 12, 2019

Motion:

To approve the minutes as written.

Action: Approve, Moved by Alternate Nelson, Seconded by Member Gasca.

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

Ayes: Member Stitle, Member Gasca, Alternate Nelson.

9. ABM UPDATE

Mr. Kennedy provided a brief update on the ABM project and how a possible settlement was still in the negotiations phase. Discussion ensued.

10. FLUME PROJECT UPDATE

Mr. Kennedy mentioned the Board approved staff to move forward with 1,000 units and that he expected to have the contract number ready for Board consideration at their April meeting. He stated once this step has been completed, the District will proceed with getting information out to the public.

Mr. Nelson inquired as to what happens should there not be as many subscribers as anticipated. Mr. Kennedy explained what would take place should this happen. Mr. Gasca mentioned several community groups where information could be circulated.

11. BUDGET CALENDAR REVIEW

Ms. Largent reported meetings have been conducted with each of the departments to gather input. She stated a preliminary budget will be presented at the next committee meeting.

Mr. Kennedy spoke about the research conducted for considering possibly leasing fleet vehicles per Director Mack's recommendation. He noted he anticipated having something to report back to the committee in April. Discussion ensued.

12. RATE CONCEPTS

Mr. Kennedy explained this item was to discuss rate decoupling. He said next month Raftelis will be attend the next committee meeting to discuss the cost of service items. Discussion followed.

Mr. Nelson stated the reason he proposed a different way of looking at rate concepts, he found the only way to try to deal with the outlying issues was to consider more factors than just volume of water. He mentioned some of his thoughts related to creating a cost of service rate concept from scratch incorporating multiple factors. Discussion ensued.

Ms. Largent confirmed Raftelis and the preliminary budget items will be discussed at the next committee meeting.

13. INFOR CLOUDSUITE FINANCIALS UPDATE

Ms. Largent reported RMWD was still on track for July 1, 2019. She noted the new chart of accounts has been loaded into the software and the MHC Software was installed onto the three computers where it will be utilized. She added a purchase order implementation timeline set up to go live July 1st as well.

14. INFOR PUBLIC SECTOR UPDATE

Ms. Largent explained staff has been testing scripts and were getting ready to reload and verify balances followed by recreating January, February, and a portion of April billing statements. She stated after balances are verified again April 30th, she hopes to go live on May 1st.

Ms. Rubio gave a demonstration of the utility billing software.

***15. REVIEW THE FOLLOWING:**

- A.** Statement of Revenue and Expenses
- B.** Balance Sheet
- C.** Treasurer's Report

Ms. Largent pointed out the Cash Reserve policy going to the Board for consideration at their April meeting will include the Fund numbers. She stated Fund 55 for reservoir rehabilitation has been eliminated and pulled into Fund 60 for capital projects. She mentioned there would not be too many noticeable changes in the financials for the remainder of the year since the focus has been on the Cloudsuite financials implementation with any changes or upgrades to financials being made in that software. She noted she anticipated providing quarterly financials to the committee once the new software is in place.

Mr. Stitle inquired as to what the unearned revenue numbers under liability in Funds 52 and 53. Ms. Largent stated these would be items such as developer deposits that are reconciled annually.

Discussion ensued regarding the upcoming audit process.

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

It was noted the rate concepts and preliminary budget review as well as an update on the Flume project will be on the next committee agenda.

17. ADJOURNMENT

The meeting was adjourned by Harry Stitle.

The meeting adjourned at 2:09 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary