

13. REVIEW THE FOLLOWING:

- A. Income Statement
- B. Balance Sheet
- C. Cash Flow
- D. Treasurer's Report

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

15. ADJOURNMENT

ATTEST TO POSTING:



Hayden Hamilton
Secretary of the Board

8-31-18 @ 11:00 a.m.

Date and Time of Posting
Outside Display Cases

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 14, 2018**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on August 14, 2018 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:04 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Moss, Member Gasca, Alternate Nelson.

Also Present General Manager Kennedy, Executive Assistant Washburn, Alternate Martinez.

Absent: Member Ross, Member Hensley.

No members of the public were present.

4. **SEATING OF ALTERNATES**

It was noted Mr. Nelson would be seated as an alternate for this meeting.

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 public comments.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

Ms. Moss stated she completed the application for the upcoming Sacramento Delta tour.

*8. **APPROVAL OF MINUTES**

A. July 10, 2018

Motion:

To approve the minutes.

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

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

Ayes: Member Stitle, Member Moss, Member Gasca, Alternate Nelson.

9. DISCUSSION AND POSSIBLE ACTION REGARDING CAPITALIZATION POLICY

Mrs. Martinez explained the multiple reasons for setting up a capitalization policy. She referenced the handout with RMWD's current policy noting it was too vague and what updates should be made. Discussion ensued.

Mr. Kennedy pointed out the formatting of the policy would need to be complete prior to being presented to the Board for consideration. Mrs. Martinez stated for the restatement to be completed, the policy will need to be completed as soon as possible.

Mr. Stitle recommended the committee get their comments to Mrs. Martinez. Mr. Kennedy stated if the comments can be received over the next week or two, it will allow Mrs. Martinez time to get with Ms. Washburn to finalize the policy formatting.

10. DISCUSSION AND POSSIBLE ACTION REGARDING UNCLAIMED CHECKS

Mrs. Martinez stated there were approximately twenty unclaimed checks totaling approximately \$10,000 on the books at this time. She explained the processes involved with providing notification to the state and locally.

Mr. Kennedy inquired as to whether this policy would be included in the Administrative Code. He suggested a reference be made in the Administrative Code to a separate policy approved by the Board. He said he would like to have Legal Counsel review this matter prior to proceeding.

Discussion ensued.

11. REVIEW OF ADMINISTRATIVE CODE SECTION 5.02.210 – PURCHASING AND CHANGE ORDER APPROVAL REQUIREMENTS - APPENDIX

Mr. Kennedy suggested updating the policy to allow department managers to spend more than \$500 without going through an entire approval process which is not cost effective.

Ms. Moss recommended increasing the department limit to \$2,000 and finance manager to \$5,000.

Motion:

To recommend the Board set the dollar amount limit at \$2,000 or less and the next one to \$2,000-\$5,000.

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

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

Ayes: Member Stitle, Member Moss, Member Gasca, Alternate Nelson.

12. STRATEGIC PLAN

Mr. Kennedy reported there will be a workshop with the Board and key staff members on the strategic plan. He said once completed, staff will come back to the committees for their input. He stated a S.W.O.T. analysis will be conducted as part of the workshop. He asked the committee members to provide input to Mr. Gasca who in turn will bring the committee thoughts to the workshop.

Mr. Gasca suggested trying to get as much internal water as possible was key as a means of preventing the District from being captive to the powers that be by having to purchase 100% of the water. Discussion followed.

Mr. Gasca also noted parcel standby fee increase should also be included as part of the strategic plan.

Mr. Nelson suggested there be an honest update on what the capital plan really looks like, cyber security, and emergency preparedness be included in the plan. Discussion ensued.

13. ABM UPDATE

Mr. Kennedy provided an update on the ABM project, including the different options available detailed in the handout. He stated after numerous meetings and reviews, including by the committees, ABM was asked to look at replacing the pressure regulators that have not been replaced recently as well as installing downstream valves on all the meters. Discussion ensued including the project options, the financials involved, and potential benefits to the District.

14. FINANCIAL STATEMENT REVIEW

Discussion took place regarding this information provided in the handout.

Mrs. Martinez explained once the numbers are finalized and audit complete, the transfers will be made.

15. REVIEW THE FOLLOWING:

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Discussions took place regarding this information provided in the handouts.

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

It was noted an ABM update and policy review should be on the next agenda.

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17. ADJOURNMENT

The meeting was adjourned by a motion made by Member Stitle.

The meeting adjourned at 3:03 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary