

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 10, 2015**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on Tuesday, November 10, 2015 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle
Member Ross
Member Clyde
Member Hensley
Member Carlstrom
Alternate Moss

Absent: Alternate Lucy

Also Present: General Manager Kennedy
Finance Manager Thomas
Director Brazier

One member of the public was present.

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

There were no public comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

Mr. Ross wished all the United States Marines a happy birthday.

6. **UPDATES**

A. Raftelis – Rates and Cash Flow

Mr. Kennedy recalled the Board approved releasing the Proposition 218 Public Hearing Notices at their last meeting. He noted approximately 8,000 letters were mailed out to those addresses listed on the County Tax Assessor Parcel list with approximately 50 letters returned undeliverable. He said only one person contacted him upset with the proposed rates; however, after discussing it further, the customer was not happy but had a better understanding of what was being proposed. He also mentioned a larger grower called to discuss the proposed rates as well.

Ms. Thomas added she received two phone calls to which she was able to explain the proposed rates to the callers to assist in their understanding.

Discussion ensued.

Mr. Kennedy offered to review the rate model with the committee once it's been adopted by the Board of Directors.

Discussion continued regarding the Conservation Order, conservation efforts, and other conservation related items.

B. Strategic Plan

Mr. Kennedy announced the draft Strategic Plan was now out for public comment which will be compiled and brought back to the Board in December.

C. CIP

Mr. Kennedy explained there were not too many changes related to the CIP. He talked about the Master Plan as well as how asset management will be upgraded and extremely detailed starting in 2016. Discussion followed.

D. Springbrook

Ms. Thomas reported on the users meeting she attended in Newport Beach hosted by Accela who purchased Springbrook. She mentioned an announcement was made that they were in the beginning stages of transitioning over the City of San Diego. She reported RMWD was currently using Springbrook software for accounts payables now that payroll has been transitioned over for a couple of months now. She stated she was now working on learning to create reports with information intermixed between the old and new software.

Mr. Stitle inquired as to how payroll was working with the new software. Ms. Thomas said for the most part it was going fine; however, they were still working out a few reporting details.

Mr. Stitle asked RMWD having unfunded liabilities with CalPers. It was confirmed this matter had to do with Gatsby 68. Ms. Thomas noted the reports from CalPers were not available until the end of the fiscal year and cost the District \$850. Mr. Kennedy added the auditors also included some relative information about CalPers liabilities in the audit report. Discussion followed regarding what took place with this matter during the LAFCO matter and how FPUD paid over \$3M which they had categorized under sundries.

Mr. Kennedy explained how CalPers liability operates. Discussion followed.

7. GENERAL MANAGER UPDATE/BOARD MEETING REVIEW

Mr. Kennedy stated Vanessa Martinez has been selected and hired as Ms. Thomas' successor and her first day would be November 23, 2015.

8. MONTHLY WATER SALES REPORT

Ms. Thomas pointed out she included 2013 and 2014 in the sales report for comparison purposes.

Discussion ensued regarding tiered rates.

9. MONTHLY FINANCIAL REPORT

It was noted the financial reports were not ready due to the transitioning of software.

10. REVIEW OF GROUNDWATER ISSUE

Mr. Kennedy explained the groundwater basin within RMWD was technically not groundwater but rather a subterranean stream. He talked about what the consultants working on this matter could most likely find and how mitigation may become big part of this matter. Discussion followed.

11. DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE MEMBERSHIP CHANGES

Mr. Stitle noted the committee membership was now full. He agreed to contact Mr. Lucy regarding his ability to continue to serve on this committee.

Michael Rodriguez stated he would like to continue attending the committee meetings for observation purposes and would decide if would like to serve as a member in the near future.

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

Mr. Kennedy suggested having an item on CalPers on the next agenda. He also said he would like to have water bill comparisons to share with the committee.

13. ADJOURNMENT

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

The meeting adjourned at 2:32 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary