

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 8, 2015**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on September 8, 2015 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 Hensley
Member Clyde
Member Ross
Alternate Lucy

Absent: Member Carlstrom
Alternate Moss

Also Present: General Manager Kennedy
Executive Assistant Washburn
Finance Manager Thomas
Engineering Manager Kirkpatrick
Director Brazier

Two members of the public were 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.

*6. **APPROVAL OF MINUTES**

A. August 11, 2015

Action:

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

After consideration, the motion CARRIED by the following vote:

AYES: Member Stitle, Member Hensley, Member Clyde, Member Ross and Alternate Lucy
NOES: None
ABSTAINED: None
ABSENT: Member Carlstrom and Alternate Moss

7. UPDATES

A. Raftelis

Sudhir Pardiwala of Raftelis presented information on the draft financial plan, cost of service analysis, proposed water rates, as well as the next steps to be taken to the committee and staff. It was noted the numbers will need to be adjusted accordingly once staff provides Raftelis with updated data.

Discussions ensued regarding the information provided in the presentation.

Mr. Pardiwala reviewed and explained the proposed different rate tier level structures.

Mr. Kennedy explained the committee can provide Raftelis with any feedback and that a public comment period for rates will start on October 27, 2015 at the Regular Board meeting followed by a Special Board meeting sometime in December to potentially adopt a rate structure.

Discussions continued.

B. Strategic Plan

Mr. Kennedy reported everyone has met with the consultant who will be coming back to give a preliminary report to the Board at their October 27, 2015 Regular Board meeting at which time the Board can decide whether to proceed with a public workshop in order to get community input.

C. LAFCO

Mr. Kennedy noted the LAFCO public hearing will take place on Monday, September 14, 2015.

D. CIP

Mr. Kennedy introduced Doug Gillingham, a consultant for Atkins, who will be providing financial opinions related to the water reclamation and recycled water program. He noted a presentation with some detail has been made to the Engineering Committee and was now here to address some of the financial aspects with this committee.

Mr. Gillingham presented the financial information related to the water reclamation and recycled water program. He mentioned RMWD has the potential to develop its own water reclamation facility with no debt increase in the District's long term costs. Discussions ensued.

Mr. Kennedy explained staff would be asking the Board to provide staff with direction as to how to proceed with the conceptual idea of a plant. He noted the Board will have a specific

resolution allowing RMWD to apply for planning grants before them for their consideration. Discussion followed.

Action:

Moved by Member Clyde to recommend the Board explore this program. Seconded by Member Stitle.

After consideration, the motion CARRIED by the following vote:

AYES: Member Stitle, Member Hensley, Member Clyde, Member Ross and Alternate Lucy

NOES: None

ABSTAINED: None

ABSENT: Member Carlstrom and Alternate Moss

E. Springbrook

Ms. Thomas reported payables have been done using the new software and how there were some tweaks to be made. Mr. Kennedy added payroll has gone live and how the utility billing has been pushed back several weeks until these first transitions are fully completed.

8. GENERAL MANAGER UPDATE/BOARD MEETING REVIEW

Mr. Kennedy reported there was not much to report from the last board meeting. Discussion ensued regarding the upcoming development. He announced the next Board meeting will be on Wednesday, September 16, 2015.

9. MONTHLY WATER SALES REPORT

It was noted these reports are from RMWD's billing.

10. MONTHLY FINANCIAL REPORT

Discussion ensued regarding reduced expenses and rate analysis.

Ms. Thomas explained the accounts that had a second past due notice has been reduced to \$20,000 when at times it was over \$100,000.

11. REVIEW OF GROUNDWATER ISSUE

Mr. Kennedy noted RMWD has not yet received a report from the consultant. He mentioned the consultant was told to wrap it up. He talked about a conversation he had with someone at the County regarding water sustainability agencies.

12. DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE MEMBERSHIP CHANGES

Mr. Stitle noted Mr. Ross would be available to attend meetings and Mr. Carlstrom will be returning in October. He stated he would not be available for the October meeting, but will be at the November committee meeting.

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

It was noted Raftelis will return at the October meeting and Item #7 would need to be on the next committee agenda.

14. ADJOURNMENT

The meeting adjourned at 3:36 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary