

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
DECEMBER 13, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on December 13, 2016 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 Ross, Member Hensley, Member Clyde, Member Moss.

Also Present: Alternate Martinez, Engineering Manager Kirkpatrick, Engineering Associate Powers, and Administrative Analyst Gray.

Two members of the public were present.

4. **SEATING OF ALTERNATES**

The need for alternate seating was not necessary.

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

There were no amendments.

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

Ms. Moss made an inquiry on the process for transferring water service. She voiced her concerns with the timeline for departing tenants receiving their final bill and the process for paying the final balance. Mrs. Martinez stated that after the meeting they could meet to discuss the matter in further detail. Discussion ensued.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*8. **APPROVAL OF MINUTES**

A. November 8, 2016

Motion:

Approve the minutes as written.

Action: Approve, Moved by Member Moss, Seconded by Member Clyde.

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

Ayes: Member Stitle, Member Ross, Member Hensley, Member Clyde, Member Moss.

9. REVIEW CAPACITY FEE STUDY

Mrs. Kirkpatrick stated no action was needed today from the committee on this matter. She presented a slide show on the capacity fee study and provided additional documentation and instructed the committee to review them later and bring their comments back to the next meeting for additional discussion.

Discussion ensued.

Ms. Moss asked what the motivation was for conducting this study. Mrs. Kirkpatrick responded stating there was no back up information or Districts' Capital Improvement of expansion projects and a wastewater treatment plant included in the previous assessment.

Mr. Hensley asked if customers would be eligible for a refund of charges if so requested. Mrs. Kirkpatrick stated our current policy which does not allow for a refund but added that it does have exceptions that may apply.

10. REVIEW ADMINISTRATIVE CODE SECTIONS 5.03.080 AND 5.03.220

Mrs. Martinez handed out documentation and presented information on the two sections being reviewed. Discussion ensued. Mrs. Martinez requested the committee review the information and bring back their comments to the next meeting.

11. REVIEW THE FOLLOWING:

- A.** Income Statement
- B.** Balance Sheet
- C.** Cash Flow

Mrs. Martinez distributed handouts including examples of the investment policy for initial review. She asked the committee members take this home and do a more extensive review in order to prepare for discussing at the next meeting.

12. REVIEW 2017 WATER RATES

Mrs. Martinez stated the new rates were approved by the Board of Directors at their last committee meeting with a 2.5% increase and an increase of backflow fees to include the additional price increase due to the State required prevailing wage connected to the labor provided by the backflow inspection contractor.

13. DEVELOPER UPDATE

Mr. Powers gave an update on the progress and current status of the development projects in the District. Discussion ensued.

14. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2017 COMMITTEE OFFICERS

No changes to the committee officers were proposed.

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

It was noted the Administrative Code Sections 5.03.080 and 5.03.220 and the Capacity Fee Study be brought back at the next meeting for further discussion.

The meeting adjourned at 2:09 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary