

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JUNE 13, 2017**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on June 13, 2017 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 Moss, Alternate Martinez.

Also Present: Executive Assistant Washburn, Customer Service Representative Tonero, Customer Service Representative Steward.

Absent: Member Ross, Member Hensley, Member Clyde.

Two members of the public were present.

4. **SEATING OF ALTERNATES**

Mr. Stitle noted Alternate Martinez would be seated and participating in 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 comments.

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

8. **BILLING STATEMENT PRESENTATION BY INFOSEND, INC.**

Mrs. Martinez noted the Board approved changing the vendor for printing service from Dataprose to InfoSend. She introduced Kelly Law from InfoSend who would review the features and options InfoSend offers.

Ms. Law explained InfoSend provides outsourced bill printing and mailing and how primarily for utilities such as RMWD, they take data exported in the form of raw data from Springbrook and process and convert that to a printed PDF design followed by printing and mailing the statements. She noted part of the conversation today was to address the bill redesign project.

Mrs. Martinez pointed out RMWD went live with InfoSend for the first time this month and how at this time staff was not trying to make a major overhaul to the bill design; however, today was to review samples available to the District and determine what information should be presented on the new statements.

Ms. Law presented samples for the committee members to review. She said she was confident InfoSend would be able to build virtually anything in the samples or if there was something additional RMWD would like, they would be happy to have their on-staff programmers available to work on customizing the District's bill design. She mentioned InfoSend was not on a time crunch nor were they charging the District for the redesign. She explained the printing process and how the paper size and perforation meets industry standard; however, this could be modified to meet RMWD's needs if necessary. Discussion ensued regarding the types of messages that could be conveyed to the customers.

Ms. Law pointed out InfoSend does provide a service to those customers on autopay with which they could receive an emailed bill as opposed to a paper bill.

Mr. Stitle asked about the process for changing the messages on a bill month-to-month. Ms. Law explained the portal contains a message manager area which allows RMWD access to update the message at any time.

Ms. Law solicited the committee for ideas as to what they would like to see on the billing statements.

9. DISCUSSION AND POSSIBLE ACTION REGARDING SELECTION OF AUDITORS

Mrs. Martinez explained Mr. Kennedy asked these proposals be brought to the Budget and Finance Committee for review. She stated should a selection be made in the next week or so, an auditor could be brought to RMWD to watch the District's inventory process.

Discussion ensued regarding the pricing and terms provided in the proposals.

Mrs. Martinez confirmed she would like the committee to rate the proposals and provide their responses to her no later than June 19, 2017. She also pointed out the references for each of the audit firms. Mr. Stitle and Ms. Moss noted White Nelson was their first choice.

10. DISCUSSION REGARDING COST OF SERVICE STUDY

Mrs. Martinez referenced the draft copy of the budget provided to the committee members noting it would be submitted to the Board for approval at their June 27th meeting. She mentioned the budget was more than financial raw data in that it was an overview of District including employee compensation and benefits. She pointed out the employee Memorandum of Understandings expire June 30, 2017 were ongoing and the results are still pending. She noted the Strategic Plan was also pending which could impact the budget as well. She noted should the Memorandum of Understanding negotiations not be completed by June 30, 2017, it will be noted in the budget.

Mrs. Martinez mentioned RMWD's cash basis was currently at a breakeven. She referred to the Cost of Service Study conducted in 2015 and how the numbers were based on 2014 calendar year which had a much higher demand. She noted based on this, staff was recommending a new Cost of Service Study be conducted with a new demand that is more realistic in line with what is current demand. Discussion followed.

Mrs. Martinez explained the draft budget must be ready to go before the Board by the following day; therefore, committee member comments should be submitted to her as soon as possible.

11. DISCUSSION AND ACTION REGARDING AMENDING ADMINISTRATIVE CODE SECTION 8.12 – RENDERING AND PAYMENT OF BILLS

Mrs. Martinez recalled the last item on the page provided was brought up at the May 23, 2017 Board meeting. She explained how a customer was impacted during a transition of vendors because of which he incurred late fees. She stated at the Board meeting, it was determined this policy needed to be reviewed again to allow for some flexibility in the event of certain circumstances such as this. She suggested adding language that allows the Finance Manager and/or General Manager discretion to waive or reduce fees when deemed appropriate. She stated she would try to get this on the June or July Board meeting agenda for consideration.

12. REVIEW THE FOLLOWING:

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

Mrs. Martinez highlighted some of the information provided in the handouts. She noted staff will know in the next 2-3 months whether there will be a switch from Springbrook.

Discussion ensued regarding development projects.

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

It was noted an update on the Camino Del Rey situation, the minutes from both the May and June committee meetings, and the proposed Administrative Code change regarding waiving late fees should be on the next agenda.

14. ADJOURNMENT

The meeting adjourned at 2:25 p.m.

Harry Stittle, Committee Chairperson

Dawn M. Washburn, Board Secretary