

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
MARCH 7, 2013**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Carlstrom on March 7, 2013 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m . Carlstrom presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Lucy
Member Carlstrom
Member Clyde
Member Stittle
Member Hensley
Member Ross

Absent: Member Fagan

Also Present: General Manager Seymour
Finance Manager Buckley
District Engineer Plonka
Senior Accountant Thomas
Project /WW Superintendant Miller
CS/WOPS Atilano
Assistant Rubio

There was one public member present – Director Brazier.

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. Carlstrom provided information along with a map of future developments. He said he would like to use the information for future reference. Mr. Carlstrom stated that the tour of the development sites would take place today after all other agenda items were addressed.

***6. APPROVAL OF MINUTES**
A. February 07, 2013

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 Lucy, Member Carlstrom, Member Clyde, Member Stitle, Member Ross and Member Hensley.

NOES: None.

ABSTAINED: None.

ABSENT: Member Fagan.

7. DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE OFFICER APPOINTMENTS

Mr. Carlstrom said he would like to leave the chairperson position and had previous discussions with Mr. Stitle regarding his interest as Chairperson and Mr. Ross' interest as Vice-chairperson.

Action:

Moved by Member Clyde to nominate Mr. Stitle as Chairperson and Mr. Ross as Vice-chairperson to the Budget and Finance Committee. Seconded by Member Lucy.

After consideration, the motion CARRIED by the following vote:

AYES: Member Lucy, Member Carlstrom, Member Clyde, Member Stitle, Member Ross and Member Hensley.

NOES: None.

ABSTAINED: None.

ABSENT: Member Fagan.

The consensus of the committee was that the change would take effect next meeting.

8. UPDATE AND DISCUSSION OF RECENT RMWD BOARD MEETING

Mr. Buckley provided the following Board Meeting updates:

The board approved to raise the water rates and did not change the sewer rate as recommended by the staff and committee. Mr. Buckley stated that the elimination of the Reservoir Charge would reduce the monthly bill for the majority of customers. The Board noted to advertise appropriately.

The district purchasing policy was approved as edited. Mr. Buckley explained that most of the changes were clean up edits to update some of the language such as titles of staff.

The North County Joint Powers Authority was enacted and the District Board appointees were Directors Brazier, Lucy and Stanford with Directors. Griffiths as the alternate. There will also be three FPUD board members along with one other local candidate. Mr. Lucy mentioned Director Sanford was appointed as the Chairman of the NCJPA Board and the meetings will be every two weeks.

The Water Assessment for Warner Ranch was approved.

Mr. Lucy mentioned there were approximately ten plus citizens voicing their concerns with Beck Reservoir water treatment.

Moved to Agenda Item *10.

9. INFORMATIONAL UPDATE REGARDING POTENTIAL ANNEXATION AND PROGRESS WITH DEVELOPERS (KIRSTEN PLONKA)

Mr. Carlstrom referred to the map provided of the future developments and asked if we should exclude Pardee from the District at this time. Ms. Plonka said yes.

Ms. Plonka said Campus Park West is owned by Pappas and the negotiations with the District were 90% complete. She mentioned this development would be commercial and multi-family units.

Campus Park (Horse Ridge Creek) is owned by Passerelle for commercial development and that D. R. Horton would develop the housing units.

Valley Center MWD will annex Meadowood and Pardee will build an interim sewage plant.

Warner Ranch was currently in the county review process.

Mr. Stitle asked where the district lines were located on the developer map. Ms. Plonka responded they were the broken lines.

San Luis Rey Downs was approximately 101 units and have already purchased the EDUs. This development is in the future forecast.

10. UPDATE REGARDING STATUS OF CONSTRUCTION PROJECTS (KIRSTEN PLONKA)

Mr. Buckley said Ms. Plonka mentioned she did not have anything to add for this Agenda Item.

11. UPDATE AND DISCUSSION REGARDING POTENTIAL JPA/CONSOLIDATION OF WATER DISTRICTS (DAVE SEYMOUR)

Mr. Buckley said Mr. Moser was appointed the NCJPA representative, Director Gebhart as Secretary, Mr. Buckley as the Treasurer and Mr. Brady as the Executor Director.

Mr. Seymour said the first meeting was held on March 6, 2013. He mentioned the next meeting was scheduled for March 20, 2013. He said the NCJPA would prepare a budget for legal fees, administrative costs and salaries. He pointed out there should not be very much cost associated with the NCJPA. He said Mr. Brady and he will start transitioning next week. He said it was his thought this would be an exciting opportunity for the District.

Mr. Carlstrom asked regarding the Legal Counsel for the NCJPA. Mr. Seymour stated that the NCJPA wanted to appoint legal counsel other than the current firms utilized by the two districts.

Mr. Stitle asked about the schedule for LAFCO. Mr. Seymour said LAFCO was not required for the NCJPA.

12. REVIEW OF YEAR TO DATE FINANCIAL STATEMENTS.

Mr. Buckley handed out the basic financial statement for January 2013. He said the District is doing well currently financially and was under the budget on operating expenses. Mr. Clyde said the net income amount was showing a negative percent. Mr. Buckley replied it was due to the way the spreadsheet formula calculates the negative income from the budget figure.

13. REVIEW AND DISCUSSION OF BUDGET OBJECTIVE FOR 2013-14.

Mr. Buckley said the managers had their first meeting and had offered their plans for their budgets. He said their requests have been entered on the first draft which will be reviewed next week.

Mr. Buckley said the Board should meet with the finance committee to go over the draft budget some time in April 2013.

Mr. Buckley said it will take some additional work to develop the sharing of labor and other expenses relating to the NCJPA.

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

Mr. Buckley suggested agenda items on Budget and NCJPA updates.

Ms. Plonka arrived at 1:30 p.m.

Moved to Agenda Item #9.

15. ADJOURNMENT

Meeting adjourned to a field tour at 2:03 p.m.

Larry Carlstrom, Committee Chairperson

Dawn M. Washburn, Board Secretary