

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JULY 14, 2020**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on July 14, 2020 by Chairperson Nelson in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Nelson, Member Ross (*via video conference*), Member Moss (*via video conference*), Member Hensley (*via video conference*).

Also Present: General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent, Information and Technology Specialist Espino.

Present via Teleconference or Video:

District Engineer Strapac, IT Manager Khattab.

Absent: Member Gasca.

Three members of the public were present via teleconference or video.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

Mr. Nelson read aloud the instructions for those participating from offsite.

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

There were no changes to the agenda.

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

There were no comments.

7. **GENERAL MANAGER COMMENTS**

Mr. Kennedy said he did not have any comments in addition to the items on the agenda.

8. **FINANCE MANAGER COMMENTS**

Ms. Largent summarized the items contained in the handout containing her priority projects.

9. COMMITTEE MEMBER COMMENTS

There were no comments.

***10. APPROVAL OF MINUTES**

A. June 9, 2020

Motion:

To approve the minutes as presented.

Action: Approve, Moved by Member Ross, Seconded by Member Hensley.

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

Ayes: Member Ross, Member Hensley, Member Moss, Member Nelson.

11. SDCWA REGIONAL CONVEYANCE SYSTEM COST ANALYSIS

Mr. Kennedy shared a presentation on the Regional Colorado River Conveyance Feasibility Study. He reviewed a draft version noting it would not be finalized until a later date. He pointed out the information being provided in the presentation was presented at the recent SDCWA Board meeting and because it is in draft form, handouts will not be made available.

Mr. Ross asked if SDCWA was exploring other alternatives. Mr. Kennedy said as of right now the focus was on the Regional Conveyance System.

Ms. Moss expressed concern with the cost of transporting the water. She said she would not be in favor of anything over which RMWD would not have any control, especially with the current climate regarding any type of development.

Mr. Nelson asked whether SDCWA was considering the reduction in water demand should RMWD and FPUD exit SDCWA. Discussion ensued.

Mr. Nelson confirmed the committee are quite skeptical of the economic rationale for this project and would encourage the Board to not favor this project.

12. WATER SERVICES UPGRADE PROGRAM (WSUP) UPDATE

Mr. Kennedy stated the project was 10% complete and how staff anticipates having 1,000 exchanges complete within the next two weeks. He mentioned some of the steps taken to keep the workflow moving along smoothly. Ms. Largent added RMWD was receiving some calls regarding spikes in usage on some of the meters replaced.

Mr. Nelson shared his personal experience with the WSUP steps taking place at and near his property. He asked for those customers who have 3-4 different services by the street, will there be anything on the box to identify which service belongs to which customer. Mr. Kennedy offered to speak with Mr. Gutierrez regarding this concern.

13. COVID-19 UPDATE

Mr. Kennedy reported the District lobby will remain closed and staff will continue status quo.

14. REVIEW OF LATE CHARGE MORATORIUM

Ms. Largent reported the three-month late charge moratorium came to an end June 30; therefore, late charges will resume beginning in the month of July with letters being sent to customers with a past due balances over thirty days notifying them RMWD will be assessing late fees. She mentioned the State mandate for shutoffs was still in effect so the letters will include this information as well as provide a reminder the customers are still responsible for any past due balances.

15. DISCUSSION AND POSSIBLE APPOINTMENT OF NEW BUDGET AND FINANCE COMMITTEE MEMBERS

Julie Johnson introduced herself to the committee noting she has enjoyed serving on the Communications and Customer Service Committee for over two years and was interested in serving on this committee to learn more about the budget and finance aspects of the District. She thanked the committee for their consideration.

Mr. Kennedy pointed out the committee may also want to consider adding Steve Strapac as an alternative to allow an opportunity for professional development as well as maintain continuity of the committee meetings.

Motion:

To recommend the Board appoint Julie Johnson as a member of the committee and Steve Strapac as an alternate member of the committee.

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

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

Ayes: Member Ross, Member Hensley, Member Moss, Member Nelson.

16. REVIEW THE FOLLOWING:

- A.** Budget vs Actuals (APRIL FYTD 19/20)
- B.** Fund Balance Projections
- C.** Treasury Report (MAY FY 19/20)
- D.** Five-Year Water Purchases Demand Chart (through 7/3/2020)
- E.** Water Sales Summary (MAY FY 19/20)
- F.** Check Register (MAY FY 19/20)
- G.** Directors' Expense Report (MAY FY 19/20)
- H.** Credit Card Breakdown (MAY FY 19/20)
- I.** Developer Projections
- J.** RMWD Properties

Mr. Nelson asked Ms. Largent to summarize the information contained in the financial packet she had provided as a handout. Mr. Nelson inquired as to whether there have been any changes in the information for Items #16I and #16J. Ms. Largent said these have not changed.

Discussion ensued regarding work starting on the Meadowood development.

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

It was noted the WSUP update, formation of the CFD for Pardee, a discussion regarding receiving assistance from the MBA program with Cal State San Marcos should be on the next agenda.

18. ADJOURNMENT

The meeting was adjourned by Chairperson Nelson.

The meeting adjourned at 2:02 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary