

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 5, 2013**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on September 5, 2013 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Clyde
Member Stitle
Member Ross

Absent: Member Fagan
Member Lucy
Member Carlstrom
Member Hensley

Also Present: Assistant General Manager/Finance Manager Buckley
Assistant Rubio
Water Operations/Customer Service Manager Atilano
District Engineer Plonka
Senior Accountant Thomas
Director Brazier

No public members were present.

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**

There were no committee member comments.

*6. **APPROVAL OF MINUTES**

A. August 8, 2013

Action:

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

After consideration, the motion CARRIED by the following vote:

AYES: Member Clyde, Member Stitle and Member Ross.
NOES: None.
ABSTAINED: None.
ABSENT: Member Fagan, Member Lucy, Member Carlstrom and Member Hensley.

7. UPDATE AND DISCUSSION OF RECENT RMWD BOARD MEETING

Mr. Stitle asked Mr. Buckley if there were any updates from the recent Board Meeting. Mr. Buckley said there were no major updates.

8. INFORMATIONAL UPDATE REGARDING PRIORITIZATION OF CONSTRUCTION PROJECTS

Mrs. Plonka provided an update of the development schedules. She said priority to start designing Lift Station 1 located in Bonsall has moved up due to some issues that could cause larger problems.

9. UPDATE AND DISCUSSION REGARDING JPA/CONSOLIDATION OF WATER DISTRICTS

Mr. Stitle mentioned his attendance at the NCJPA Board meeting on September 4th and how the general consensus seemed to be to get the consolidation done.

Mr. Buckley talked about the integration schedule provided at the NCJPA meeting by Dr. Brady. He encouraged the committee members to review the plan in the handout and contact him with any questions they may have.

10. DISCUSSION AND POSSIBLE ACTION REGARDING FINANCIAL RESERVE POLICIES AND PROPOSED RATE ADJUSTMENTS

Mr. Stitle inquired as to the Board's timing for setting up reserve policies. Mr. Buckley said regardless of the Board's timeline, the draft policy should be compiled into a new draft for Board consideration at their meeting in October.

Mr. Hensley stated the framework was good; however, the real discussion will be about funding.

Mr. Buckley confirmed the Public Hearing for rate increases will be in November and noted the public notice will be a part of the September edition of the RMWD newsletter.

Discussion ensued regarding the proposed rate changes.

Mr. Buckley confirmed his plans to retire in Spring, 2014 and that it was his understanding employees in the finance department will take on his responsibilities as part of the consolidation.

Discussion continued regarding the proposed sewer rate changes.

Mr. Stitle stressed the importance of having something in the October newsletter to explain the rate changes.

11. DISCUSSION AND POSSIBLE ACTION REGARDING WATER CAPACITY/CONNECTION FEES

Mr. Buckley explained the notice does not contain capacity fees. He also pointed out FPUD's Engineer, Mr. Bebee, spoke to him regarding how FPUD staff used their GIS to calculate their water capacity/connection fees. Mrs. Plonka pointed out Mr. Bebee's recommendation to her was not to do the calculations they way FPUD had done theirs; therefore, Mr. Buckley should go forward with his current calculations.

Mr. Buckley stated staff would like to get moving on the capacity connection charge due to the developers. He agreed to look into whether or not a public notification was required. He also confirmed this would be effective January 1, 2014.

12. REVIEW OF YEAR-TO-DATE FINANCIAL STATEMENTS

This item was not discussed.

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

It was decided the final version of the reserve policy as well as a forecast of the impact of the rate increases and how it will affect the operating and capital reserves would be on the next agenda.

Mr. Stitle announced he would not be in attendance at the October Board meeting and asked that another committee member make the report at the meeting in his absence.

14. ADJOURNMENT

Action:

Moved by Member Ross to adjourn. Seconded by Member Clyde.

After consideration, the motion CARRIED by the following vote:

AYES: Member Clyde, Member Stitle and Member Ross.

NOES: None.

ABSTAINED: None.

ABSENT: Member Fagan, Member Lucy, Member Carlstrom and Member Hensley.

The meeting adjourned at 2:14 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary