

14. CAPITALIZATION POLICY REVIEW

15. CODE OF ETHICS AND CLIMATE CHANGE POLICIES REVIEW

16. REVIEW THE FOLLOWING:

- A. Income Statement
- B. Balance Sheet
- C. Cash Flow
- D. Treasurer's Report

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

18. ADJOURNMENT

ATTEST TO POSTING:



Hayden Hamilton
Secretary of the Board

9-28-18 @ 3:00 P.M.

Date and Time of Posting
Outside Display Cases

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
SEPTEMBER 11, 2018**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on September 11, 2018 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Customer Service Supervisor Rubio.

Absent: Member Moss, Member Gasca, Administrative Analyst Gray.

One member of the public was present.

4. **SEATING OF ALTERNATES**

Mr. Nelson was seated to serve as an alternate at this meeting.

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

Mr. Nelson asked if there was an opportunity to discuss the allocation of asset surplus. Ms. Rubio mentioned Mrs. Martinez will be finalizing the end of year matters including surplus items. It was noted this would be on a future agenda.

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. **APPROVAL OF MINUTES**

A. August 14, 2018

Motion:

To approve the minutes.

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

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

Ayes: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

9. DISCUSSION AND POSSIBLE ACTION REGARDING CAPITALIZATION POLICY UPDATE

Mr. Kennedy referenced the proposed draft policy provided as a handout.

Mr. Flint asked for clarification on the capitalization threshold.

Ms. Rubio introduced Diane who has been hired to temporarily fill the Finance Manager position. She noted Diane worked at FPUD to temporarily help them out and how she does have Springbrook experience.

10. DISCUSSION REGARDING LEAK POLICY

Mr. Kennedy solicited the committee for input on the policy related to leaks located on the customer side of the meter. Discussion ensued regarding the types of leaks about which customers contact RMWD.

Discussion took place regarding creating a matrix showing how often these types of leaks occur.

Mr. Kennedy explained what occurrences would be covered by the proposed leak policy. He noted a draft policy would be presented at the next committee meeting for discussion.

11. REVIEW OF ADMINISTRATIVE CODE SECTION 5.02.210

Mr. Kennedy pointed out the proposed changes to the approval processes.

Motion:

The committee recommend the Board review and accept the change to 5.02.210.

Action: Approve, Moved by Member Ross, Seconded by Alternate Nelson.

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

Ayes: Member Stitle, Member Ross, Member Hensley, Alternate Nelson.

12. ABM UPDATE

Mr. Kennedy reported the first steps to repeal Ordinance No. 95-1 would be presented to the Board at the September 18, 2018 meeting for their consideration. He talked about the steps taken by staff regarding this matter. He noted he will be meeting with ABM one more time to review the final numbers.

Mr. Kennedy talked about how the committee may want to consider means for improving the District's credit rating.

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Mr. Nelson said he was supportive of what was being done. He wanted to know what steps were necessary should the rates need to be higher than initially forecasted. Mr. Kennedy explained the entire Proposition 218 process would need to be followed. Mr. Nelson asked if a five-year revenue plan would be damaging to the District. Mr. Kennedy explained it would not; however, some may not desire an extended plan as opposed to an annual revenue plan review. Discussion followed.

Mr. Nelson inquired about the logistics of some of the projects and their being on different timeframes. Mr. Kennedy explained the cautious steps planned out. He said once everything has been stabilized, the process will be ramped up over time. Discussion ensued regarding the anticipated timeframes.

13. REVIEW THE FOLLOWING:

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Ms. Rubio stated she would be confirming the numbers imported were transferred over correctly.

Discussion took place regarding the handouts provided.

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

It was noted the leak policy, capitalization policy, and reserve transfer authorization would be on the next agenda.

Mr. Kennedy announced Mrs. Martinez agreed to continue working for RMWD on a limited basis during the recruitment process for her position.

15. ADJOURNMENT

The meeting adjourned at 1:54 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

