



BUDGET AND FINANCE COMMITTEE MEETING

RAINBOW MUNICIPAL WATER DISTRICT
Tuesday, September 13, 2016
Budget and Finance Committee Meeting - Time: 1:00 p.m.

District Office **3707 Old Highway 395** **Fallbrook, CA 92028**

Notice is hereby given that the Budget and Finance Committee will be holding a regular meeting beginning at 1:00 p.m. on Tuesday, September 13, 2016.

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL: Harry Stitle (Chair) _____ Randy Ross (Vice Chair) _____
Members: Peter Hensley _____ Harry Clyde _____ Pam Moss _____
Alternates: Vanessa Martinez _____
4. ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)
5. PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)

COMMITTEE ACTION ITEMS

6. COMMITTEE MEMBER COMMENTS
- *7. APPROVAL OF MINUTES
 - A. August 9, 2016
8. DISCUSSION AND POSSIBLE ACTION REGARDING ASSET VALUATION
9. MONTHLY FINANCIAL REPORT
 - A. Balance Sheet
 - B. Financial Statement
 - C. Developer Update
 - D. Water and Sewer Sales Update
 - E. Cash Flow and Reserves Report

10. REVIEW OF ADMINISTRATIVE CODE FINANCIAL POLICIES
 - A. Chapter 5.03
11. REVIEW DRAFT CAPACITY FEE STUDY
12. UPDATE ON AUDIT PROCESS
13. DISCUSSION REGARDING 2017 WATER RATE CHANGES
14. STRATEGIC PLAN UPDATE
15. LIST OF SUGGESTED AGENDA ITEMS FOR THE NEXT SCHEDULED BUDGET AND FINANCE COMMITTEE MEETING
16. ADJOURNMENT

ATTEST TO POSTING:



Helene Brazier
Secretary of the Board

9-2-16 @ 5:00 P.M.

Date and Time of Posting
Outside Display Cases

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**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 9, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on August 9, 2016 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 Clyde, Member Moss, Alternate Martinez.

Absent: Member Ross, Member Hensley.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Associate Engineer Powers, Administrative Analyst Gray.

No members of the public were present.

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

There were no changes to the agenda.

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

There were no comments.

COMMITTEE ACTION ITEMS

6. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*7. **APPROVAL OF MINUTES**

A. July 12, 2016

Motion:

To approve the minutes as written.

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

Vote: Motion passed (summary: Ayes = 3, Noes = 0, Abstain = 1).

Ayes: Member Stitle, Member Moss, Alternate Martinez.

Abstain: Member Clyde.

DRAFT***DRAFT******DRAFT*****8. DISCUSSION AND POSSIBLE ACTION REGARDING ASSET VALUATION**

Mr. Kennedy introduced Tara Hollis and Jerry Hartman of Willdan Financial Services. He recalled how the committee had discussions late last year about looking at RMWD's asset valuation in preparation for capacity fee adjustments and how Willdan has been contracted to conduct a capacity fee study. He referenced the materials presented that include the results of said study.

Ms. Hollis and Mr. Hartman gave a presentation on the overview of the asset valuation as well as the results of the appraisal.

Mr. Kennedy pointed out there are basic methodologies that are standard in the industry and court tested and approved that RMWD will follow which is why an expert was hired to conduct this study on behalf of the District.

**** The recorder stopped recording at 2:03 p.m.***

9. MONTHLY FINANCIAL REPORT

- A. Balance Sheet
- B. Financial Statement
- C. Developer Update
- D. Water and Sewer Sales Update

10. DEMONSTRATION OF SPRINGBROOK**11. UPDATE ON AUDIT PROCESS****12. STRATEGIC PLAN UPDATE**

**** The recording restarted at 2:54 p.m.***

It was noted there was a typo that needed to be changed to "contributed' capital".

Mr. Kennedy updated the Committee on the various items in the Strategic Plan as well as mentioned some of the items that may be coming to the Committee in the near future for discussion.

Discussion ensued regarding the November 8, 2016 General Election.

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

It was noted review of the financial policies within the Administrative Code, a review of the draft capacity fee study, as well as the cash flow and reserves report.

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14. ADJOURNMENT

Motion:

To adjourn.

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

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

Ayes: Member Stitle, Member Clyde, Member Moss, Alternate Martinez.

The meeting adjourned at 1:16 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

