

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 12, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on January 12, 2016 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 Stitle
Member Hensley
Member Clyde
Member Carlstrom
Member Ross (*Arrived at 1:07 p.m.*)

Absent: Member Ross
Member Lucy

Also Present: General Manager Kennedy
Executive Assistant Washburn
Finance Manager Martinez
Administrative Analyst Gray
Director Brazier

One member of the public was 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**

Discussion ensued regarding the golf course matter.

*6. **APPROVAL OF MINUTES**

A. December 8, 2015

Mr. Stitle noted on Page 6A-2 the word "license" should be "licensed".

Action:

Moved by Member Clyde to approve the minutes as adjusted. Seconded by Member Hensley.

After consideration, the motion CARRIED by the following vote:

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

7. GENERAL MANAGER UPDATE/BOARD MEETING REVIEW

Mr. Kennedy announced Director Lucy submitted his Letter of Resignation effective January 26, 2016. He noted the Board has 60 days to make an appointment or the County of Supervisors will appoint someone on RMWD's behalf. He stated the notices have been put in the newsletters along with a map and that the Board hopes to make an appointment at the March 22, 2016 Board meeting. He explained the person appointed by the Board will serve until the November 2016 elections and then they can seek election for the remaining two years of the existing term. He pointed out RMWD will have four Board Members up for election this year.

Mr. Kennedy talked about the rate hearing that took place on December 15, 2015 for which there were a total of 17 rate protest letters. Discussion ensued.

Member Moss joined the meeting at 1:07 p.m.

8. TRAINING ON USE OF RAFTELIS WATER FINANCIAL MODEL

Mr. Kennedy introduced Andrea Boehling from Raftelis who was present to provide training on the water financial model. He noted Ms. Boehling will train Mrs. Martinez in more detail in the near future.

Discussions ensued.

9. DRAFT AUDIT REVIEW

Mrs. Martinez mentioned this was presented to the Committee at their last meeting. She noted some spelling errors and outdated language has been updated and this new version from the CPA firm of the audit.

Discussion ensued regarding tying GASB68 to the audit.

10. REVIEW ADMINISTRATIVE CODE SECTION 5.02.210 – PURCHASING AND CHANGE ORDER APPROVAL REQUIREMENTS - APPENDIX

Mr. Kennedy explained he wanted the Committee to look at the proposed changes to the policy to confirm the revisions make the policy easier to understand before taking it to the Board for consideration at their January 26th meeting.

Action:

Moved by Member Moss to approve the proposed revisions. Seconded by Member Clyde.

After consideration, the motion CARRIED by the following vote:

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

11. UPDATES

A. Strategic Plan

Mr. Kennedy noted this would be taken to the Board in January for consideration. He stated once the Board approves the plan, he will present everything to each of the committees. He added the graphical design used in the plan will be incorporated into the newsletter, rate sheets, etc. in order to refresh RMWD's outreach materials.

B. CIP with Update from Developers as to Dates

This item was discussed earlier in the meeting.

C. Accela (Springbrook)

Mrs. Martinez gave a progress report on Accela/Springbrook. She noted they were currently squaring away some loose ends in Springbrook and the proceed moving forward next week on purchase order and requisitions modules as well as the human resources module. She pointed out staff was currently adding the modules already purchased in the contract to what was already in place. Discussion followed.

12. MONTHLY WATER SALES REPORT WITH PROJECTIONS FOR REMAINDER OF YEAR

Mrs. Martinez pointed out the chart in front of the committee members shows projected water sales from January-June 2016. She explained how she arrived in the information provided. Discussion followed.

13. MONTHLY FINANCIAL REPORT

Mr. Kennedy mentioned this was a part of the issues mentioned under Item #11.

14. REVIEW OF GROUNDWATER ISSUE

Mr. Kennedy reported the report finally came out on Monday, January 11, 2016. He offered to send the committees a link so that they can download the report. Discussion followed.

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

It was noted financial reporting options and the strategic plan in terms of goals for financial planning should be on the next agenda.

16. ADJOURNMENT

The meeting was adjourned by a motion made by Member Hensley.

The meeting adjourned at 3:13 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary