

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 10, 2017**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on January 10, 2017 in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:03 p.m. Chairperson Stitle, presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Stitle, Member Ross, Member Hensley, Member Clyde, Member Moss.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Alternate Martinez, Engineering Manager Kirkpatrick, Associate Engineer Powers.

One member of the public was present.

4. **SEATING OF ALTERNATES**

Mr. Stitle stated no alternates were necessary due to full member attendance.

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

Mr. Stitle noted Item #13 had been addressed at the December committee meeting.

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

Ms. Brazier pointed out she was at the last meeting; however, it was not noted in the minutes. Ms. Washburn later pointed out it was in the minutes under Item #3 as "One member of the public was present".

COMMITTEE ACTION ITEMS

7. **COMMITTEE MEMBER COMMENTS**

Mr. Hensley asked how RMWD planned to make up the revenue lost over the past five years. Mr. Kennedy explained the steps taken to make projections as well as noting how managing reserves coupled with the incoming development will improve RMWD's position. He noted there will need to be a great deal of proper financial planning. Discussion followed.

*8. **APPROVAL OF MINUTES**

A. December 13, 2016

Motion:

To approve the minutes as written.

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

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Member Stitle, Member Ross, Member Hensley, Member Clyde, Member Moss.

9. REVIEW CAPACITY FEE STUDY

It was noted this study was not yet complete.

Mrs. Martinez provided an audit update noting it would be completed this month.

10. REVIEW ADMINISTRATIVE CODE SECTIONS 5.03.080 AND 5.03.220

Mrs. Martinez noted the bulk of the review had to do with investment policy. Discussion followed.

Mrs. Martinez agreed to take the investment types and create a chart or spreadsheet to show RMWD was in compliance. Mr. Hensley also recommended the chart or spreadsheet show when bonds or notes are callable as well as the dates they are called.

The committee continued by reviewing Administrative Code Section 5.03.220 – Cash Reserves Policy. Discussions ensued.

It was decided reports on the cash reserves would be created and provided to the committee at the next meeting.

11. REVIEW THE FOLLOWING:

- A. Income Statement
- B. Balance Sheet
- C. Cash Flow

Mr. Kennedy provided the committee with weather forecasts for their reference.

12. DEVELOPER UPDATE

Mrs. Kirkpatrick pointed out the new and updated water development projection report that was provided to the committee. She explained the new information included stating how many linear feet of water or sewer pipelines are going in for each development. She noted “PRS” was “Pressure Reducing Stations” and “LS” was “Lift Station”. She mentioned the Horse Ridge Creek development was building a lift station on Pankey Road.

Mrs. Kirkpatrick explained part of the information was staff forecasting for staffing based on how much more pipes as well as how many more permits and pressure stations need to be maintained. She gave an update on the Lift Station 1 project, the Polo Club development, and Warner Ranch.

Discussion ensued.

Mr. Clyde inquired as to the definition of the “wheeling fee”. Mr. Kennedy explained this was all part of the Meadowood project that was still in the preliminary stages.

13. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2017 COMMITTEE OFFICERS

This item was not addressed per Item #5.

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

It was noted the Administrative Code review, asset valuation, and the audit and cash reserve reports should be on the next committee agenda.

15. ADJOURNMENT

Motion:

To adjourn the meeting.

Action: Adjourn, Moved by Member Clyde, Seconded by Member Ross.

Vote: Motion carried by unanimous vote (summary: Ayes = 5).

Ayes: Member Stitle, Member Ross, Member Hensley, Member Clyde, Member Moss.

The meeting adjourned at 2:05 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary