

- C. Cash Flow
- D. Treasurer's Report

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

14. ADJOURNMENT

ATTEST TO POSTING:



Hayden Hamilton
Secretary of the Board

4/27/18 @ 2:30 p.m.

Date and Time of Posting
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**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
APRIL 10, 2018**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on April 10, 2018 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, Member Moss, Member Gasca.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Alternate Nelson, Alternate Martinez.

One member of the public was present.

4. **SEATING OF ALTERNATES**

There were no alternates seated at this meeting.

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

Mr. Kennedy reported Item #10 would be pulled from the 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**

Ms. Moss reported on the Citizens Water Academy she recently attended noting the use of Olivenain’s reservoir was most fascinating. She said she found the academy to be very interesting and educational and impressive.

Discussion ensued regarding the proposed Twin Tunnels being voting on by Metropolitan Water District today.

***8. APPROVAL OF MINUTES**

A. March 13, 2018

Mr. Ross noted “he” should be “his” on Item #9.

Motion:

Approve the minutes as revised.

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

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

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

9. TELEPHONE CONFERENCE CALL WITH DISTRICT’S INVESTMENT ADVISOR

Ken Edelman introduced himself to the committee as well as brief them on his background and experience prior to reviewing the specifics involved with RMWD’s investments.

Mrs. Martinez explained the conclusion of the audit prompted this teleconference with the District’s advisor today. Mr. Edelman reported on RMWD’s current portfolio, including RMWD has cash that was not earning much interest. He confirmed RMWD was in a very good position and provided suggestions for RMWD in terms of investments.

Mr. Kennedy inquired about the recent auditor comments. Mrs. Martinez recommended some funds be deposited into LAIF. Mr. Gasca pointed the auditor’s concern seems to suggest RMWD move funds. Mrs. Martinez explained the auditor was making a comparison to another agency.

Mrs. Martinez talked about short term investment benefits. Mr. Kennedy added after some time there may be a need to shift developer funds to long term investments.

Mr. Edelman noted he keeps a watch on RWMD’s portfolio to find any opportunities of which the District may want to take advantage. He elaborated on the types of opinions he would provide to RMWD to keep the District making the best investments as well as the overall portfolio in a good position.

Mr. Ken thanked the committee for the invitation to speak. He said he would be happy to answer any questions and assist wherever necessary.

Mrs. Martinez offered to look at the current rates for the Federal Home Loan Mortgage Corporation as well as Caterpillar Financial Corporation.

Mr. Stitle inquired as to the overall return on investments. Mr. Kennedy answered it was approximately \$200,000. Discussion followed.

10. DISCUSSION REGARDING REQUEST FOR PROPOSAL FOR PAYROLL SERVICES

This item was pulled from the agenda per Item #5.

11. DISCUSSION REGARDING REQUEST FOR PROPOSAL FOR GASB 75

Mrs. Martinez noted GASB 75 was made a part of the auditor report related to employee post-retirement benefits. Mr. Kennedy explained the changes to RMWD’s post-retirement benefits that transpired during the 2017 negotiations with the bargaining units.

Mr. Gasca asked why the Request for Proposal was for every two years. Mrs. Martinez explained this was the minimum requirements and why RMWD would not want it to be more frequent.

12. ABM

Mr. Kennedy briefed the committee on the history and background on the project. He gave an update including how the parties involved were back in discussions in hopes of resolving some of the issues. He stated it was anticipated there would be someone making a presentation at the next committee meeting.

13. REVIEW THE FOLLOWING:

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

Mrs. Martinez summarized the developer projections provided in a handout. Discussion took place regarding some of the projects listed.

Mr. Hensley inquired as to how close past forecasts have been when it comes to development projects. Mr. Kennedy explained how the projections are made. Discussion ensued regarding current housing pricing.

Mrs. Martinez explained the information contained in the income statement, Discussion ensued regarding the City of Oceanside agreement with RMWD.

Discussion took place on the balance sheet information.

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

It was noted Item #10, the preliminary budget, as well as scheduling the joint meeting with the Board of Directors for May 22, 2018 to review the budget.

15. ADJOURNMENT

The meeting was adjourned with a motion made by Member Stitle.

The meeting adjourned at 2:15 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

