

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
AUGUST 7, 2014**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on August 7, 2014 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 Clyde
Member Stitle
Member Hensley

Absent: Member Fagan
Member Lucy
Member Carlstrom
Member Ross

Also Present: Interim General Manager Sneed
Executive Assistant/Board Secretary Washburn
Finance Manager Thomas
Director Brazier
FPUD General Manager Brady

No members of the public were present.

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

There were no comments.

COMMITTEE ACTION ITEMS

5. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*6. **APPROVAL OF MINUTES**

A. July 3, 2014

Action:

Moved by Member Clyde to approve the minutes as presented. Seconded by Member Stitle.

After consideration, the motion CARRIED by the following vote:

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

7. UPDATE ON CALTRANS PROJECT

Mr. Sneed stated Caltrans accepted bids for the project and staff was notified that the sewer portion of the project was substantially less than the original estimates to be a little less than \$3M rather than the \$11M-\$12M estimate. He noted this still has to go before the Board for final approval; however, there will need to be some adjustments made to the costs first. He reported there was no information regarding the water portion of this project.

8. DISCUSSION REGARDING CURRENT WATER BILL FORMAT

Mr. Stitle talked about the current bill and how the first two items are listed as “RMWD Water” and “MWD Water” which makes it appear as though RMWD was getting water itself and then selling it when this is not the case. He suggested adding something to the bill for better understanding. Ms. Thomas stated there would be a cost for any revamping of the bill; however, she has not researched any costs associated with doing so as of yet. She recommended Mr. Stitle provide her with something he suggests be changed on the bill then she will have customer service contact the billing company to find out the costs.

Mr. Clyde inquired as to whether the SDCWA or MWD pass through could be distinguished on the bill.

Mr. Sneed mentioned there was a customer request to have the graph in actual gallons as opposed to cubic feet; however, it was noted this could be difficult. He agreed it may be a good idea to have a little more description on the actual charges may be beneficial.

Mr. Stitle talked about the meeting with Mr. Fitzsimmons and how some of part of some of Mr. Fitzsimmons concerns may be difficult to address due to the fact there was lack of understanding as to why water is expensive in California. Mr. Sneed noted when Mr. Fitzsimmons met with staff after the Budget and Finance Committee meeting, staff tried to explain why it was hard to compare other cities with RMWD's costs. Ms. Thomas explained after meeting for more than two hours exhausting a complete review of all the correct information it became apparent to staff that although Mr. Fitzsimmons understood the structure, but did not like it.

Ms. Thomas pointed out somehow the members of the Lake Rancho Viejo community have the conception that they will have a lower bill. She noted staff kept saying they have never heard the FPUD Board Members or the FPUD general manager say that if FPUD takes over RMWD, the bills will go down. Mr. Stitle asked if the public relations firm could look at this in terms of what RMWD can use for a sales pitch. Ms. Thomas confirmed the public relations firm was working on it. Discussion ensued.

Mr. Stitle recommended RMWD be proactive in terms of selling the reasons why the water bills vary and assisting the customers' understanding by providing more descriptive details in a write-up by the public relations firm.

Discussion ensued regarding the year-end balance sheet and income statement.

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

It was noted there would be an update on the audit, Board meetings, and Caltrans on the next agenda. Discussion ensued regarding Drought Level 2 conditions.

10. ADJOURNMENT

Action:

Moved by Member Hensley to adjourn. Seconded by Member Clyde.

After consideration, the motion CARRIED by the following vote:

AYES: Member Clyde, Member Stitle and Member Hensley.

NOES: None.

ABSTAINED: None.

ABSENT: Member Fagan, Member Lucy, Member Carlstrom and Member Ross.

The meeting adjourned at 1:31 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary