

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
JANUARY 14, 2020**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on January 14, 2020 by Chairperson Nelson in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:00 p.m. Chairperson Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

Present: Member Hensley, Member Moss, Member Gasca, Member Nelson.

Also Present: General Manager Kennedy, Executive Assistant Washburn, Finance Manager Largent.

Absent: Member Ross.

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.

6. **COMMITTEE MEMBER COMMENTS**

Mr. Nelson said he has realized the District has worked diligently to update a great deal of enterprise systems to run RMWD. He requested a quick presentation on these updated systems including the integration be given at the next committee meeting. Mr. Kennedy pointed out RMWD has a list of these systems on its website; however, it would be good to present additional information to the committee members.

Ms. Moss recommended return envelopes not be sent to those customers who use the auto pay system. Discussion ensued.

*7. **APPROVAL OF MINUTES**

A. December 10, 2019

Mr. Gasca pointed out on the top of page 5-7 of the agenda packet, the word "stated" was omitted.

Motion:

To approve the minutes as revised.

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

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

Ayes: Member Hensley, Member Moss, Member Gasca, Member Nelson.

8. REVIEW THE FOLLOWING:

- A.** Statement of Revenue and Expenses
- B.** Balance Sheet
- C.** Treasurer's Report
- D.** Surplus Property Report
- E.** Outstanding Construction Units Report
- F.** Cash Reserve Compliance Report

Ms. Largent reviewed the information provided in the handouts. She noted the Statement of Revenue and Expenses report has been revised to include the most up-to-date information.

Mr. Kennedy announced the Board approved recent staff changes to include Cynthia Gray now taking on the role of Customer Service and Communications Supervisor and Renee Rubio becoming the Senior Accountant.

Ms. Largent pointed out the projects have been listed out for both the five-year CIP as well as proposed mid-year budget adjustments. She explained how going forward there will be a solid book of finance records within CloudSuite financials and then conduct a mid-year adjustment. Discussion followed.

Ms. Largent noted the developer projections has not changed since the previous month. Discussion ensued regarding the Ocean Breeze project. Ms. Moss suggested the Leatherbury development should be removed from the projections list. Mr. Kennedy asked Ms. Largent to confirm this change with Mr. Strapac.

Mr. Kennedy pointed out there may be a change to the surplus property report after the January Board meeting. He also reported the lower yard property will be vacated due to a lease expiration as well as a lease violation.

Ms. Largent referenced the Cash Reserve Policy 5.03.220 Compliance report she will be presenting to the Board at their January meeting. She noted this report was for informational purposes only.

9. WATER SERVICE UPGRADE PROGRAM (WSUP) UPDATE

Mr. Kennedy reported as of today, RMWD crews were out in the field vacuuming the first boxes. He noted on February 4th Concord will be out on site to start the program after which there will be a short pause to ensure it is running smoothly or to make any adjustments as deemed necessary. He mentioned information will be provided to all the customers notifying them of the program as well as how the meter replacements may positively or negatively impact their water bills.

Mr. Nelson asked how a customer could find out when their meter was scheduled to be replaced. Mr. Kennedy explained the initial schedule is tentative and may be altered as the work progresses.

Discussion ensued.

10. RATE MODEL UPDATE

Ms. Largent mentioned the same presentation given to this committee will be presented to the Board in January after which time she will provide the committee with the Board's feedback.

11. DISCUSSION AND POSSIBLE ACTION TO RESCHEDULE BUDGET AND FINANCE COMMITTEE DECEMBER 2020 MEETING DATE DUE TO BOARD MEETING SCHEDULE CONFLICT

Mr. Nelson recommended tentatively moving the December 8, 2020 committee meeting to Tuesday, December 15, 2020 at 1:00 p.m. There were no objections from the committee.

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

It was noted updates on the detachment from SDCWA, rate model, Water Service Upgrade Program and regular financial reports be on the next committee agenda.

Mr. Gasca excused himself from the meeting at 1:45 p.m.

Mr. Hensley noted the updated financial reports designs are a massive improvement.

13. ADJOURNMENT

Mr. Nelson adjourned the meeting at 1:46 p.m.

Flint Nelson, Committee Chairperson

Dawn M. Washburn, Board Secretary