

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
OCTOBER 2, 2014**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order by Chairperson Stitle on October 2, 2014 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 Carlstrom
Member Stitle
Member Ross
Member Hensley

Absent: Member Fagan
Member Lucy
Member Clyde

Also Present: General Manager Kennedy
Executive Assistant/Board Secretary Washburn
Finance Manager Thomas
Director Brazier

No members of the public were present.

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

There were no comments.

5. **GENERAL MANAGER COMMENTS**

There were no comments.

COMMITTEE ACTION ITEMS

6. **COMMITTEE MEMBER COMMENTS**

Mr. Stitle asked where the Moosa Creek Mitigation Bank was located. Ms. Rebueno agreed to research this to find out.

*7. **APPROVAL OF MINUTES**

A. September 4, 2014

Mr. Stitle noted Mr. Carlstrom's name was misspelled under Section 8.

Action:

Moved by Member Ross to approve the minutes as revised. Seconded by Member Hensley.

After consideration, the motion CARRIED by the following vote:

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

8. BOARD MEETING REVIEW

Mr. Kennedy gave a brief overview of the September 23rd Board meeting. He mentioned there was an appropriation for the fleet budget due to the purchase of the general manager's vehicle.

Mr. Carlstrom requested an update on the LAFCO situation. Mr. Kennedy stated the application was at LAFCO who in turn are reviewing it as well as continuing to gather data from both parties. He noted LAFCO expects to conduct their review and the staff review going before the Commission (if it does go to the Commission) sometime in 2015. Discussion ensued.

9. FINANCE SOFTWARE UPGRADES **

Ms. Thomas provided information regarding Springbrook coming to RMWD to do a demonstration on October 17, 2014. She noted it was a 4-5 hour demonstration and committee members were invited.

Member Hensley excused himself from the meeting at 1:35 pm.

10. DISCUSSION REGARDING FIVE-YEAR CASH FLOW PREDICTION

Mr. Kennedy noted he was in the process of getting a contract with a company to study RMWD's rate structures. He stated the cash flow prediction put together by the committee was great; however, the company he is familiar with will expand on the five-year rate structure and revenue prediction. It was determined the committee was on board with this action being taken.

11. CIP UPDATE

Discussion ensued regarding the monthly CIP budget update.

12. REVIEW OF DEVELOPER PLANNED PROJECTS

Mrs. Kirkpatrick mentioned Pala Mesa Highlands development located on Highway 395 and how the developer submitted plans which included 124 lots. She also noted Olive Hill Estates located on Olive Hill Road near the fire department is finalizing plans for 37 lots.

Discussion ensued regarding EDU's and water meter future purchases.

13. LAFCO UPDATE

Mr. Kennedy reported the ad hoc committee continues to meet to discuss the matter.

14. MWD PLANNED MANDATORY WATER PURCHASE

Mr. Kennedy provided an overview of the MWD planned mandatory water purchase matter.

15. 2015 WATER AND SEWER RATE DISCUSSION

This was addressed under Item #10 herein.

16. WATER BILL CHANGES UPDATE

Discussion ensued regarding potential changes to the customer water bills wording concerning RMWD's water fee since RMWD does not have its own source of water. It was noted making any changes to the current billing statements at this time would be unnecessary due to the fact the new software may address this when implemented.

17. DISCUSSION REGARDING WATER SALES SPREADSHEET

Ms. Thomas mentioned in the Board agenda packet there is a breakdown of water sales provided.

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

It was suggested the State Revolving Funds balance be provided as well as a sample pie chart showing the cost breakdown in customer billing.

19. ADJOURNMENT

Action:

Moved by Member Ross to approve the minutes as revised. Seconded by Member Carlstrom.

After consideration, the motion CARRIED by the following vote:

AYES: Member Stitle, Member Ross and Member Carlstrom.

NOES: None.

ABSTAINED: None.

ABSENT: Member Fagan, Member Lucy, Member Hensley, and Member Clyde.

The meeting adjourned at 3:02 p.m.

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary

**** The recording became inaudible at approximately 1:08 p.m. Remainder of minutes were drafted from staff member meeting notes.**