

*REVISION #1*



**BUDGET AND FINANCE COMMITTEE MEETING**

**RAINBOW MUNICIPAL WATER DISTRICT**  
**Tuesday, June 14, 2016**  
**Budget and Finance Committee Meeting - Time: 1:00 p.m.**

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<b>District Office</b>	<b>3707 Old Highway 395</b>	<b>Fallbrook, CA 92028</b>
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Notice is hereby given that the Budget and Finance Committee will be holding a regular meeting beginning at 1:00 p.m. on Tuesday, June 14, 2016.

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**AGENDA**

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL: Harry Stitle (Chair)\_\_\_\_\_ Randy Ross (Vice Chair)\_\_\_\_\_**  
                   **Members: Peter Hensley \_\_\_\_\_ Harry Clyde \_\_\_\_\_ Pam Moss\_\_\_\_\_**
4. **ADDITIONS/DELETIONS/AMENDMENTS TO THE AGENDA (Government Code §54954.2)**
5. **PUBLIC COMMENT RELATING TO ITEMS NOT ON THE AGENDA (Limit 3 Minutes)**

**COMMITTEE ACTION ITEMS**

6. **COMMITTEE MEMBER COMMENTS**
- \*7. **APPROVAL OF MINUTES**  
       A.     May 10, 2016
8. ***DISCUSSION AND POSSIBLE ACTION TO APPROVE 2016/2017 FY BUDGET***
9. **DISCUSSION REGARDING INTERNAL CONTROLS FOR VENDOR SETUP**
10. **DISCUSSION REGARDING METER CLASSIFICATIONS**
11. **MONTHLY FINANCIAL REPORT**  
       A.     Balance Sheet  
       B.     Financial Statement
12. **DISCUSSION AND POSSIBLE ACTION REGARDING COMMITTEE MEMBERSHIP**

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

14. ADJOURNMENT

ATTEST TO POSTING:

  
\_\_\_\_\_  
Helene Brazier  
Secretary of the Board

5-25-16 @ 2:30 P.M.  
\_\_\_\_\_  
Date and Time of Posting  
Outside Display Cases

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**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
MAY 10, 2016**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on May 10, 2016 by Chairperson Stitle in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:06 p.m. Chairperson Stitle presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Member Stitle, Member Hensley, Member Moss.

**Absent:** Member Ross, Member Clyde.

**Also Present:** General Manager Kennedy, Executive Assistant Washburn, Finance Manager Martinez, Engineering Manager Kirkpatrick.

Two members of the public were present.

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

Mr. Kennedy suggested deferring Items #9 and #10 to the June committee meeting.

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

There were no comments.

**COMMITTEE ACTION ITEMS**

6. **COMMITTEE MEMBER COMMENTS**

**Member Moss**

\*7. **APPROVAL OF MINUTES**

A. April 12, 2016

***Motion:***

***To approve the minutes.***

***Action: Approve, Moved by Member Moss, Seconded by Member Hensley.***

***Vote: Motion carried by unanimous vote (summary: Ayes = 3).***

***Ayes: Member Stitle, Member Hensley, Member Moss.***

***DRAFT******DRAFT******DRAFT*****8. DISCUSSION REGARDING THE DRAFT BUDGET**

General Manager Kennedy commented on the extensive work and effort that was exerted in order to put together the budget being presented today. Finance Manger Martinez opened up her presentation with a number of topics and occurrences that impacted revenue this year including El Nino, media and news releases and water use restrictions. Mrs. Martinez continued with water sales trends, projected sales, and an expense breakdown.

Mr. Kennedy noted the State Water Resource Control Board (SWRCB) will be releasing a statement on possible changes in the current state restrictions sometime in the next week or two. Mr. Kennedy pointed out several new Capital Improvement Project (CIP) will be brought to the Board of Directors for approval this month to include items not currently budgeted for. Discussion on target balances for liability, rate structure and operating reserves took place.

Mr. Kennedy mentioned San Diego County Water Authority (SDCWA) rate increases will be passed on to our stakeholders. Mr. Kennedy explained a variety of rate options will be brought to the committee for appropriate stabilized funding after SDCWA makes a formal announcement on their upcoming rate increases.

Mrs. Martinez concluded her presentation with the topic of sewer including possible upcoming CIPs, debt financing, funding and budgeting items where applicable, open discussion among members and the General Manager ensued.

**9. DISCUSSION REGARDING WATER CONSERVATION/RESOURCES**

Mr. Kennedy mentioned the expected conservation requirement changes coming from the SWRCB. Discussed ensued on groundwater water management regarding the San Luis Rey Basin and the prospects of receiving news on the reclassification of this local supply.

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

It was noted the next Board meeting will be a joint meeting with the Budget and Finance Committee.

Items #9 and #10 will be on the June 14<sup>th</sup> committee meeting agenda as well as an item to discuss committee membership.

**11. ADJOURNMENT**

**Motion:**

**Action: Adjourn, Moved by Member Stitle, Seconded by Member Hensley.**

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**Harry Stitle, Committee Chairperson**

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**Dawn M. Washburn, Board Secretary**