

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING
OF THE RAINBOW MUNICIPAL WATER DISTRICT
NOVEMBER 12, 2019**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on November 12, 2019 by Chairperson Stitle 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 Hensley, Member Gasca, Alternate Nelson.

Also Present: Finance Manager Largent and Administrative Analyst Gray.

Absent: Member Ross and Member Moss.

One member of the public was present.

4. **SEATING OF ALTERNATES**

Mr. Stitle noted Mr. Nelson would be seated as an alternate.

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

Ms. Largent requested the removal of Item #15.

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

There were no comments.

7. **COMMITTEE MEMBER COMMENTS**

There were no comments.

*8. **APPROVAL OF MINUTES**

A. October 8, 2019

Mr. Stitle pointed out the word “not” was missing before “at liberty” and “completely” should be “completed” on Page 3 of 4.

Motion:

To approve the minutes with changes.

Action: Approve, Moved by Member Gasca, Seconded by Alternate Nelson.

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

Ayes: Member Stitle, Member Hensley, Member Gasca, Alternate Nelson.

9. RATE MODEL UPDATE

Ms. Largent introduced the presentation on the updated rate model. She handed out printouts of the presentation and went through each slide with the committee members. Mr. Stitle asked about the awareness of our customers to the large decrease in water sales and the effects this has on our rates. Ms. Largent stated she would like to get more messaging out on this matter.

Mr. Gasca mentioned the District should continue investigating available water rights in the area. He also requested a historical 15-year power consumption report and options for solar installation to reduce costs. Mr. Nelson expressed some of his experiences with limitations to solar installations.

Discussion ensued.

10. SOFTWARE UPDATE

Ms. Largent reported on a few issues still outstanding related to the online payment portal including customers finding it difficult to navigate. She pointed out the number of complaints has decreased.

11. AUDIT UPDATE

Ms. Largent stated the audit is not completed as of today due to data issues surfacing and the District needing to rectify these issues. She noted she had worked with the auditors last week and talked through all of the changes. Mr. Gasca asked for more details on the issues. Ms. Largent explained what occurs when the engineering department refunds unused portions of connection fees and the issues that have transpired for tracking such. She pointed out these types of reconciliations should be performed on a monthly basis to avoid future issues.

Mr. Nelson asked when the audit would be finalized. Ms. Largent responded it is expected to be completed next week. Mr. Gasca inquired as to the impact this may have on the District of Distinction award for this year. Ms. Largent stated it will depend on the auditors' approach to her findings.

Discussion ensued.

***12. COMMITTEE POLICY REVIEW AND FORMAT**

It was noted the committee had no changes to the policy.

13. DISCUSSION AND POSSIBLE ACTION TO APPOINT 2020 COMMITTEE OFFICERS

Mr. Gasca asked for this item be deferred to the next meeting. Alternate Nelson stated he was interested in being moved from an alternate to regular position on the committee.

14. 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

Ms. Largent reviewed the information provided in the Statement of Revenue and Expenses, Balance Sheet, and Treasurer's Report. Discussion ensued.

Ms. Largent explained the information on the Capital Project expenditures is the full cost for five years. Mr. Gasca asked about the detailed project costs for the Water Service Upgrade Project (WSUP). Ms. Largent mentioned she could do a monthly project reporting information spreadsheet. Mr. Hensley asked that a year-to-date summary be included.

Mr. Nelson requested the pie chart be more legible. Mr. Nelson asked for less detailed reports be provided. Mr. Hensley suggested preparing a summary or management report in advance, so it is readily accessible upon request. Ms. Largent acknowledged the requested changes.

15. MEMORANDUM OF UNDERSTANDING WITH EASTERN MUNICIPAL WATER DISTRICT UPDATE

This item was deferred to the next meeting.

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

It was noted an item addressing solar consumption and committee officer appointments as well as updates on the rate model, software and audit be on the next agenda.

17. ADJOURNMENT

The meeting was adjourned by Chairperson Stitle.

Meeting adjourned at 1:54 PM

Harry Stitle, Committee Chairperson

Dawn M. Washburn, Board Secretary