

**MINUTES OF THE BUDGET AND FINANCE COMMITTEE MEETING  
OF THE RAINBOW MUNICIPAL WATER DISTRICT  
AUGUST 9, 2022**

1. **CALL TO ORDER:** The Budget & Finance Committee meeting of the Rainbow Municipal Water District was called to order on August 9, 2022 by Chairperson Nelson in the Board Room of the District Office at 3707 Old Highway 395, Fallbrook, CA 92028 at 1:01 p.m. *(All meetings are being held with in-person attendance following County and State COVID guidelines as well as virtually.)* Chairperson Nelson presiding.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL:**

**Present:** Member Hensley, Member Johnson, Member Nelson.

**Absent:** Member Stewart.

**Also Present:** General Manager Kennedy, Finance Manager Largent, Accounting Supervisor Rubio, Engineering Technician Rubio, Information Systems Specialist Espino.

**Also Present Via Teleconference or Video Conference:**

Alternate Williams, Information Technology Manager Khattab, Grant Specialist Kim.

One member of the public was present in person, via teleconference or video teleconference.

4. **INSTRUCTIONS TO ALLOW PUBLIC COMMENT ON AGENDA ITEMS FROM THOSE ATTENDING THIS MEETING VIA TELECONFERENCE OR VIDEO CONFERENCE**

Mr. Nelson read aloud the instructions for those attending the meeting via teleconference or video conference.

5. **SEATING OF ALTERNATES**

No alternates were seated.

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

There were no amendments to the agenda.

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

There were no comments.

**\*8. APPROVAL OF MINUTES**  
**A. June 14, 2022**

***Motion:***

***To approve the minutes.***

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

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

***Ayes: Member Hensley, Member Johnson, Member Nelson.***

***Absent: Member Stewart.***

**9. GENERAL MANAGER COMMENTS**

Mr. Kennedy talked about the water cutbacks and what the District could expect. Discussions followed.

**10. FINANCE MANAGER COMMENTS**

Mrs. Largent reported the District was currently in the middle of year-end in preparation of the audit scheduled for September.

**11. COMMITTEE MEMBER COMMENTS**

There were no comments.

**\*12. AMENDING AND UPDATING ADMINISTRATIVE CODE SECTION 5.02.010 – CENTRALIZED PURCHASING**

Ms. Largent explained these updates to the Administrative Code purchasing policy will require RMWD to follow numerous extra guidelines in the event it accepts federal monies. She mentioned the importance of having these guidelines in place prior to taking federal funds as well as pointed out the most onerous work would be ensuring these procurement rules are followed for all procurements once federal monies are accepted.

Mr. Hensley inquired as to the percentage of likelihood a request for federal funds would be made and approved. Mr. Kennedy answered 100%. Ms. Largent added RMWD would prefer not to accept \$50,000 and be subject to these rules; therefore, seeking larger sums of money would be best.

Ms. Johnson asked about the projected indirect costs associated with seeking federal grants. Mr. Kennedy answered there would be some costs; however, it was unknown exactly what they would total. Discussion ensued.

Mr. Nelson requested clarification on some of the amendments in terms of why they were necessary if RMWD was already following these steps already. Ms. Largent and Mr. Williams provided clarification, respectively. Discussion ensued.

Ms. Johnson recommended staff consider the benefit of having part of the grant writing funds set aside for a consultant who has already been awarded a federal grant. Mr. Kennedy pointed out RMWD has a grant specialist on staff who has managed these types of grants previously.

***Motion:***

***To recommend the Board adopt staff recommendation Option 1 - Approve attached Administrative Code Changes to Section 5.02.010.***

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

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

***Ayes: Member Hensley, Member Johnson, Member Nelson.***

***Absent: Member Stewart.***

**\*13. VARIANCE REQUEST FOR CUSTOMER SALINE**

Ms. Largent provided background on this matter noting it was reminiscent of a few different situations RMWD realized as part of the Water Service Upgrade Project (WSUP) program where meter reads were coming through at zero or inaccurate. She noted there were a handful of these matters, including Gilligan Groves.

Ms. Largent explained after giving the customer's request considerable thought, especially since RMWD did issue a decent adjustment initially, it seemed egregious on the District's behalf to have made had an error for such a long period of time; therefore, she was proposing RMWD issue a flat 50% adjustment. She pointed out RMWD's Administrative Code does state it is the customer's responsibility when a meter is reading zero; however, since every single meter has since been exchanged with a new meter, staff deemed an amendment to the Administrative Code would not be necessary.

Mr. Hensley inquired as to whether the proposed flat 50% adjustment has been relayed to the customer. Ms. Largent stated staff told the customer his request would be taken to the Board for an amount slightly less than what is currently being proposed. Mr. Hensley asked for the dollar amount requested. Ms. Largent stated the customer asked for an amount slightly less than the \$12,374.00 staff was requesting. She also confirmed the customer would accept this amount if approved.

Mr. Nelson asked for clarification on the amounts and series of events provided in the draft action letter. Mr. Kennedy suggested a table be included in the action letter.

Ms. Johnson pointed out this was evidently a retired member of the RMWD community and how after looking at all the information, the amount proposed by staff seemed fair. Ms. Largent stated the proposal before the committee would treat this customer the same as any others who experienced this same type of scenario.

Mr. Hensley asked for confirmation that the customer agrees with the amount they must pay to RMWD was reasonable. Ms. Largent confirmed this was correct.

***Motion:***

***The Board approve staff recommendation Option 1 – Approve an additional variance credit of \$6,360, bringing the total amount credited to \$12,372, 50% of the amount underbilled for the three-year period.***

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

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

***Ayes: Member Hensley, Member Johnson, Member Nelson.***

***Absent: Member Stewart.***

**14. REVIEW OF THE MONTHLY BOARD FINANCE PACKET**

Ms. Rubio reviewed the information contained in the monthly finance packet that was provided as a handout. Ms. Largent pointed out the report provided was preliminary.

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

It was noted an audit update and the June/July preliminary finance report should be on the next committee meeting agenda.

**16. ADJOURNMENT**

***The meeting was adjourned by Chairperson Nelson.***

The meeting adjourned at 1:52 p.m.

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**Flint Nelson, Committee Chairperson**

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**Dawn M. Washburn, Board Secretary**