

**MINUTES OF A SPECIAL MEETING  
OF THE FINANCE COMMITTEE  
OF OLIVENHAIN MUNICIPAL WATER DISTRICT**

**January 10, 2019**

A special meeting of the Finance Committee of Olivenhain Municipal Water District was held on Thursday, January 10, 2019, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 10:02 a.m. In attendance were Edmund K. Sprague, Board President and Division 5 Director; Lawrence A. Watt, Treasurer and Division 2 Director; Rainy Selamat, Finance Manager; Kimberly Thorner, General Manager; and Leo Mendez, Accounting Supervisor.

1. CALL TO ORDER

2. ROLL CALL (BOARD MEMBERS)

3. ADOPTION OF THE AGENDA

Director Watt moved to adopt the agenda, seconded by Director Sprague and carried unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 14, 2018 REGULAR FINANCE COMMITTEE MEETING

Director Watt moved to approve the November 14, 2018 meeting minutes, seconded by Director Sprague and carried unanimously.

6. REVIEW AND DISCUSS STAFF PROPOSED 2019 POTABLE AND RECYCLED WATER RATES AND CHARGES

Finance Manager Selamat presented Staff-proposed 2019 rate increases for potable and recycled water rates and OMWD Fire Meter Charges. An overview of the proposed 2.9% increase to potable and recycled water rates and a 3% increase to OMWD Fire Meter charges including the reasons for the rate increases, projected revenues and expenses, average monthly bills in comparison to other agencies, information on the District's

Proposition 218 Notice, and information on current vs. proposed rates were also reviewed with the Committee.

Finance Manager Selamat added that Staff recommended 2.9% increase is on the commodity rate only and that fixed charges are unaffected because the San Diego County Water Authority, the District's water wholesaler, did not increase its fixed charges to OMWD.

Finance Manager Selamat mentioned to the Committee that although the commodity rate increase is 2.9%, the impact to residential customers would be 1.9% because staff is not proposing an increase to water fixed charges in 2019. Director Sprague made a recommendation to add this information for presentation to the Board.

The Finance Committee agreed with the 2019 water rates and charges as proposed by Staff.

7. CONSIDER FUTURE AGENDA ITEMS

General Manager Thorner introduced Staff's proposal to change the District's budget cycle from an annual budget to a two-year budget and asked the committee for its consideration. General Manager Thorner added that many other agencies use a two-year budget.

The Committee continued with the discussion. Following the discussion, Director Watt made a recommendation to add the item to the agenda of a future board meeting, where the pros and cons will be reviewed and discussed for consideration by the Board.

General Manager Thorner agreed to include this discussion as an agenda item for the February 13, 2019 board meeting.

8. ADJOURNMENT

The meeting was adjourned at 10:54 a.m.