

Lakeway Municipal Utility District Finance Committee Meeting Minutes August 5, 2014

Members in Attendance: Lawrence Christian (Chair), Bill Cobb, Hal Hirsch (Secretary), Earl Foster (General Manager), Kay Andrews (Board Liaison). **Absent:** Vince Maggio.

Meeting Discussions / Coverage: We reviewed the June, and Year to Date P&L which included an adjustment to capitalize certain May expenses. The resulting June YTD position now includes nine months of experience:

<u>June 2014 Fiscal Year to Date (\$000)</u>				
	<u>Actual</u>	<u>B/(W) Plan</u>	<u>B/(W) 2013 YTD</u>	<u>Memo: Full Year 2014 Plan</u>
Revenue	\$3352	\$(108)	\$(175)	\$5147
Expenses	<u>2445</u>	<u>118</u>	<u>38</u>	<u>3556</u>
Net Revenue / (Loss)	<u>\$907</u>	<u>\$10</u>	<u>\$(137)</u>	<u>\$1591</u>

The Net P&L is now favorable to Plan by \$10K Year to Date.

Comparison to 2013 June Year to Date Profit & Loss:

Revenues are less than this point of 2013 but expenses are a partial offset with the resulting Net position worse by \$137K compared with June YTD of 2013. This year's Revenue, which had been tracking with 2013, is now below 2013 YTD (possibly related to minor recent rains).

- We reviewed the current draft of the 2015 Expenditure plan and Earl's detail worksheets. The plan is developed by expense line item and the budget identifies Admin, Water, and Waste Water departmental costs. Plan Expenditures for 2015 are almost flat with 2014 experience. This is another year of expense control. Lawrence identified an opportunity to help hold costs relatively flat. Preliminary looks at the 2015 Customer Water Rate; the Waste Water Rate; and the Tax Rate; all indicate modest reductions vs. 2014.

- We need better criteria to replace trucks. We discussed a combination of miles and age to avoid heavy maintenance expenditures. Six trucks, or half the fleet, will be more than 10 years old and we are looking at possibly two replacements.

- Earl (thanks) also provided spread sheets with 6 years of P&L history along with Gallons of water sold, and Revenue per 1000 gallon trends.

The upcoming Finance Committee schedule is focused on the 2015 Plan.

- Meet jointly with the Administrative and Personnel Committee at 3 PM on Weds. August 22 to go over Labor cost assumptions and Insurance
- Meet with the LMUD Board at 9:30 AM on Weds. August 27 for a Workshop on the 2015 Budget
- Attend the LMUD Sept. 10th Board Meeting to review and adopt the 2015 Budget
- Support ratification of the 2015 Tax Rates at the Weds. Sept. 24th LMUD Board Meeting

Action Item: Kay will re-contact the candidate reviewed for the last opening on the Finance Committee.

Hal Hirsch (Secretary) 8/5/14