

Lakeway MUD

Finance Committee Meeting Minutes

November 4, 2014

Attendees: Vince Maggio (Vice Chair), Bill Cobb, Hal Hirsch (Secretary), Kay Andrews, (LMUD Liaison), Earl Foster, (General Manager)

Absent: Lawrence Christian (Chair), Bud Welborn

Full Year 2014 Financials were Better than Plan. September's Revenue at \$0.9 M, or on Plan, brought Full Year 2014 Revenue to \$5.1 M which was virtually on Plan and \$0.2 M below 2013. LMUD Full Year 2014 Expenses continued below Plan and below 2013. The Net Revenue / (Loss) category was \$0.3 M Favorable to Plan only \$0.1 M behind 2013. Capital Expenditure / Special Projects was a key area for Expense performance.

We decided on an Appreciation letter to the Staff for 2014 Plan achievement in a challenging year. An initial draft of that letter follows with thanks to Kay for the improvements:

Memo To: Lakeway MUD Staff,

As we all know, 2014 has been a challenging year with watering constraints due to the dry conditions, low lake levels and production costs. Your ongoing daily efforts in expense control and the production of quality water, waste water, and reuse water is greatly appreciated. We, LMUD finance committee, thank you very much.

We are confident that with your years of experience with us, you will continue to make these daily efforts for Lakeway MUD in future challenging years.

Again, we appreciate and thank you very much for you time, energy, and effort in efficient expense control to make LMUD the very best MUD!

*Most sincerely,
Lakeway MUD Finance Committee*

- Goals for the Test Well project are based on Water Quality and Flow Rates.

- The **Lake Barge** needs support and floatation. This will cost LMUD \$39 K after cost sharing with the barge participants and based on data from Excel Construction Services. The Finance Committee unanimously supported both this and the following expenditures.
- Lake Travis is now at 622 feet above sea level. There is a need for **additional Barge hoses** that will be necessary if the lake level drops to 615 feet. Including purchase and installation, this requires \$60 K.
- Earl also sought and obtained approval to move \$21.5 K out of FY14 Budget to Capital Expenditure / Special Projects to fund the eventual **Water Tank painting**. The last time this was contracted out. Earl wants to create a Capital Expenditure / Special Project and fund every year through the budget, so that the money will be available when the tanks need repainting.
- There are only 700 **Automatic Meter Readers** left to be installed. This purchase was approved via moving \$130 K from Construction to Special Projects. Earl reported the Meter Reads now take 3 person-days and that will reduce to 2 shortly, (after completing the AMR installation).
- Earl will reallocate \$12 K in Capital to accommodate two **Waste Water projects**.
- The **Annual Financial Audit** begins on November 17th.

Our next Finance Committee Meeting will be Tuesday December 2nd at 3 PM.

Hal Hirsch

11/7/14