

**Lakeway MUD Finance Committee
Meeting Minutes
September 6, 2016**

Members in **Attendance**: Vince Maggio, Bud Wellborn, Bill Cobb, Ann Smith, Hal Hirsch, Lawrence Christian (Board Liaison), and Earl Foster (General Manager)

Absent: None

Financials through July (Fiscal 2016 month 10):

P & L				
July Year To Date (Fiscal Month 10)				
\$ Mill				
	Actual	Fav / (Unf) Plan	Fav /(Unf) 2015 YTD	Memo: FY 2016 Plan
Revenue	\$ 4.3	0.6	0.3	\$4.8
Expense	2.7	-	-	3.5
Net*	\$1.6	0.6	0.3	\$1.3

* Before Bond Payments and Capital

- Revenue of \$4.3 M is \$0.6 M ahead of Plan and also \$0.3 M favorable to this point last year. The watering restrictions have been eased to twice a week.
- Expenses of \$2.7 M are just above Plan, primarily associated with the variable costs that accompany the incremental water sales, and essentially flat with June YTD 2015. This is continued fine performance by LMUD.
- As a result, Net Revenue and Expenses (before Bond Repayments and Capital) is \$1.6 M which is a favorable variance of \$0.6 M vs. July YTD Plan and \$0.3 M ahead of July 2015 Year To Date. There are two months to go in Fiscal 2016.

Earl again took us through his **2017 Revenue and Expense Plan** worksheets. Health Insurance includes a finalized 14% increase; and the Pay Increase is 3%, but will be based on individual merit. Both were approved by the APC Committee.

- The 2017 Plan is essentially flat for both Revenue and Expenses vs. fiscal 2016.
- The 2017 Plan includes funding for an on-line Mapping Server; increased system testing due to population growth at just over 10 thousand customers served; and maintenance coverage for specific aging pumps.
- The LMUD Board will review the 2017 Budget and Rate reductions at their Sept. 14th meeting.

The **LMUD land** on Lohmans Crossing has not been sold. Bond Payoff opportunities occur in 2018 and 2023.

Next Meeting of the Finance Committee: Tuesday October 4, 2016 at 1:30 PM