

Lakeway Municipal Utility District

Finance Committee

May 2, 2017 Meeting Minutes

- **Attendance**

Present: Vince Maggio (Chair); Bud Welborn (Vice Chair); Ann Smith; Hal Hirsch; plus Lawrence Christian (Board Liaison); and Earl Foster (General Manager)

Absent: Bill Cobb

- **Fiscal March YTD P&L**

Based on the financials Earl provided:

Revenue

Through March, which is Fiscal 2017 month 6, Revenue of \$2,465 K is \$214 K below plan and \$94 K, or 4%, below March YTD 2016.

Residential and Commercial Water sales are each roughly \$120 K less than YTD Plan. Water Rates were reduced for 2017.

Expenses

Expenses of \$1,670 K are less than YTD Plan by \$200 K, including favorable variances in Water Related Variable Costs, Maintenance, and Purchased Services. Through March, Expenses are \$43 K, or 3%, above the March 2016 YTD position.

Net Profit and Loss before Capital and Bond Repayments

LMUD's Net Position, prior to Capital and Bond Repayments, of \$795 K, is \$14 K unfavorable to Plan and 17% below the comparable 2016 YTD position. With the summer lawn watering months ahead of us, this is not a cause for alarm.

- **Investments outside of TEXPOOL**

LMUD has \$4.5 M invested against Board approvals of \$4.5 M. Earl provided a tracking sheet that added two recent investments of roughly \$250 K each for 2 years. The respective interest rates were 1.36% and 1.64%. The intent is to reinvest these funds for longer maturities to improve returns without tying up funds beyond the dates they will be needed to expand the Sewer Plant to support the Rough Hollow MUDs.

- **New Billing Software**

After a login change, the customers will see 'Lakeway Mud' on their billing statements. The required reports are not as readily available as described, so there is a need to spend \$10 K to \$15 K to obtain useful management and budgeting reports.

- **Headcount**

LMUD now has two openings. Turnover had been low for years so this is an opportunity for more training and cross training. Earl is confident the replacements are needed.

- **Next Finance Committee Meeting is *Tuesday, June 6th at 1:30 PM***