

Lakeway Municipal Utility District

Finance Committee

December 5, 2017 Meeting Minutes

Attendees: Vince Maggio; Bill Cobb; Ann Smith; Hal Hirsch; Lawrence Christian; LMUD Board Liaison; Earl Foster; General Manager

Absent: Bud Wellborn

LMUD is now operating with the 2018 Plan continuing the recent favorable **financial trends**:

	LMUD P&L		
	Fiscal Year		
	\$(Mill)		
	<u>Actual</u>		Plan
	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenue	\$5.4	5.3	\$5.2
Costs and Expenses	<u>3.4</u>	<u>3.5</u>	<u>3.7</u>
Net Before Capital & Bond Repayments	\$2.0	1.8	\$1.5

Per the above trend, bond repayment needs have been reduced in recent years so LMUD has adjusted the budget, and also the tax rate, accordingly.

October 2017, a non-billing month, was month one of Fiscal Year 2018. Net Profit / (Loss) before Capital and Bond Repayments of \$(212)K, was \$(28)K worse than Plan and \$(15)K worse than October 2017. Key variances were Out of District Wastewater; and the Engineering / Legal Services associated with projects and the land sale. The Engineering Project portion, \$(7)K of the variance, will be assigned to the capital project and credited back next month.

The Finance Committee concurred to recommend that the LMUD Board add roughly \$4M to the laddered **investments** focusing primarily on FMC, vs. CDARS, based on FMC's administration, responsiveness and rates. The funds stem from the first two portions of the Land Sale.

The Finance Committee concurred in the recommendation that the LMUD Board approve \$75K of **Capital** to replace 27 (of roughly 450) **Fire Hydrants** due to age, and the need to install isolation valves.

The **Annual Financial Audit** is now completing its in-house phase at LMUD.

The **next meeting** of the Finance Committee will be Tuesday January 9, 2018 at 1:30.

Happy Holidays to all LMUD Personnel.