

## Lakeway Municipal Utility District

### Finance Committee

### Meeting Minutes

March 12, 2019

**Attendees:** All: Vince Maggio, Chair; Bud Wellborn, Vice Chair; Bill Cobb, Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, (Board Liaison); and Earl Foster, (General Manager)

**Fiscal Year to Date P&L:** January, a bi-monthly Revenue month, was Month 4 of FY 2019. The key takeaways are that while Revenue is below Plan associated with the rainy weather, Expenses are sufficiently favorable to keep LMUD better than Plan through January:

**Revenues** of \$1594 K are \$(71) K below Plan with unfavorable Water Revenues partially offset by Wastewater Revenue which is ahead of Plan. For YTD, water sales of 183 M Gal are 48 M Gal or 21% less than Jan YTD 2018. Through January, Waste Water of 81 M Gal is 16% greater than the same point in Fiscal 2018.

**Costs and Expenses** of \$1174 K are \$106 K favorable to Plan. Water, Chemicals and Energy are \$40 K better than Plan associated with the lower water usage. Purchased Services are \$70 K better than Plan related to Engineering Services and timing of the Annual Audit Payments.

**Net P&L before Capital and Debt Payments** of \$420 K is \$35 K favorable to Plan but \$160 K behind Jan YTD 2018.

**Capital:** Earl presented a spreadsheet with 17 Projects and took us through his recommendation to the LMUD Board to approve some adjustments to better align the funds. Highlighted projects included Systems which encompasses an upgrade from 32 bit to 64 bit; a Server Replacement; Building Repairs; Raw Water Chemical Feed; and Tank Painting. We then discussed three liner replacements for ponds. The conclusion was to concur with Earl's request to set aside \$100 K each year so future funds will be available. This project should begin soon, assuming LMUD Board approval. Future Capital Projects also include Clarifiers with new technology; recovery Tanks associated with Backwash filtration; increased tank capacity to maintain pressure and offset friction loss; potential trade for city land and building a Retention Pond; Storage Tank to support MUDs 11 / 12 / 13. These latter projects require cost sharing arrangements.

**Out of District Waste Water Project** is underway with 17 homes paid and 4 'emergencies', progressing now, where the septic tank is failing. Phase 1, official start, is scheduled for next month.

**Next Finance Committee Meeting: Tuesday April 2nd at 1:30 PM**