

Lakeway Municipal Utility District

Finance Committee

July 16, 2019

Meeting Minutes

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

Auditor Selection

Last year LMUD received five proposals for CPA firms to conduct the Financial Audit, including a proposal from PMB Helin Donovan, the outfit that has conducted recent audits. We submit two for the LMUD Board to select the finalist:

- *Maxwell, Locke & Ritter*
- *Montemeyor Britton Bender*

Maxwell, Locke & Ritter included a list of 57 clients more than half of which were central Texas water related entities.

Montemeyor Britton Bender is the smaller of the 2 firms. Their clients included Hays and Gonzales Water Conservation Districts and a Bastrop water supply corporation.

Per Earl's reminder, this recommendation is provided without knowledge of the eventual fee.

Preliminary 2020 LMUD Budget

Earl took us through an early draft of the budget. Highlights include: roughly \$0.4 M increased costs, or 3.7%, for the Out of District Waste Water Project (primarily labor); health Insurance; systems upgrade with security; and 3% average pay increase. Savings of \$0.2 M stem from the 2018 Bond refinancing.

LMUD's Property Tax Rate can decrease from \$0.1158 to \$0.1058 which also reflects the property value assessments which increased 4% in aggregate to \$1.3 B. The tax rate applies per \$100 of assessed value.

The Revenue plan will be finalized using the Rate Model, and will roughly equal the \$6.2 M plan for expenses and debt obligations (bond principal and interest).

The Revenue rates will hold at \$20 base rate for Water and \$14 for Wastewater. The tiered water rates, established over the past three years for conservation best practices, will remain.

Water Tank Paint Job

Water Tank Painting on Rolling Green is complete --- there was a holdback on the full funds payment to observe the consistency of the colors as the paint dried. The paint is still not even and there is a theory about pollen in the air at the time of the painting. The contractor will repaint in September and Earl asked for the *Lakeway* sign to better match fonts the city uses.

Next Finance Committee Meeting: Tues. Aug 13th (2020 Plan & 2019 YTD P&L) at 1:30 PM