

**Lakeway Municipal Utility District
Finance Committee
November Meeting Minutes 11/5/19**

ATTENDEES

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

PROFIT AND LOSS

September, which concluded Fiscal Year 2019, was a revenue month. For Fiscal 2019, Revenue is just above Plan and \$0.2 M below 2018 Full Year. Expense performance is favorable to Plan, with the result that the Net bottom line is better than the 2019 Plan although behind FY 2018: The Spring of 2019 had more rain than 2018.

| <u>LMUD Profit & Loss \$(Millions)</u> | 2019 Full Year | Fav / (Unfav) to Plan | Better / (Worse) 2018 FY | Memo: FY '19 Plan |
|--|----------------|-----------------------|--------------------------|-------------------|
| Revenue | \$5.4 | \$ 0.1 | \$(0.2) | \$5.3 |
| Costs & Expenses | 3.8 | 0.1 | (0.1) | 3.9 |
| Net Before Bond Repayments & Capital | \$ 1.6 | \$ 0.2 | \$(0.3) | \$1.4 |

For FY 2019, Water volume was 759 M Gal, 9% *less* than the comparable position a year ago. Wastewater, however, at 219 M Gal, which includes support for Rough Hollow, was 3% *ahead* of FY 2018. The employees turned in another fine year in controlling expenses.

Merging Finance and Human Resources Committees

Discussion led to a recommendation to keep the committees separate due to the different skill sets and experience. Ann has provided an HR candidate to Earl and Bud will check and advise Earl if that candidate is interested.

Funds Invested Outside TEXPOOL, primarily FNC

LMUD has \$7.7 M invested with FNC with weighted average maturity of 8 months and weighted average yield of 2.4%. The November and December 2019 maturities total \$2.7 M. Although rates are now trending lower, Earl has spoken with FNC and they anticipate a modest uptick in December. Maturities of \$4.3 M are projected in Calendar Year 2020. Shorter term investments will be required as LMUD Capital requirements ramp up.

INFO SHARING

- FY 2019 Out of District Waste Water Project stats: 14 K feet of pipe into 6.5 K feet of ditches; spending \$1.5 M without equipment Amortization; Equipment Acquisition of \$0.5 M; Revenue of \$140 K; 113 days of work; \$8.6 K of expense / day without the Capital; \$179 / Ditch foot without the Capital; 22 homes hooked up; 23 more homes now committed to connect.
- Two employees recently left; 1 replacement hired; LMUD now seeking 2nd.
- BBQ Lunch with staff, Board and Committees at Palos Verdes Plant **Tues. Nov. 19th**.

NEXT MEETING

Our December meeting is scheduled for Tuesday **December 3rd** at 1:30.