

**Lakeway Municipal Utility District
Finance Committee Meeting Notes
August 11, 2020 Meeting** (in person)

Attendees: Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, LMUD Board Liaison; Earl Foster; General Manager
Absent: Bill Cobb

June YTD Profit & Loss

June, which is month 9 of Fiscal Year 2020, was not a billing month for most of LMUD's customer base. The P&L remains in good shape resulting from the above average temperatures in autumn 2019. Revenue of \$3.7 M is \$0.6 M better than Plan and \$0.5 M ahead of June YTD 2019. Costs and Expenses of \$3.1 M are on Plan, but \$(0.5) M more than June YTD 2019. Expenses are up due to the labor portion of the Out of District Waste Water program (OODWW), and maintenance expenditures for an aging infrastructure including the lift stations and generators.

In comparison with the first nine months of FY 2019, water consumption is up 15% while wastewater volume is down by 2%.

July and September are the remaining full billing months for FY 2020.

Initial Review of FY 2021 Plan

Earl took us through his detail of the 2021 Plan. The highlights include:

- Budget developed by categories of Water, Waste Water and Administration
- Roughly equal net values for Total Revenue vs. Total Costs and Expenses at \$6.3 M
- Tax Rate remains at 1.058 which results in a \$7 annual increase for the average In District LMUD taxpayer
- Water and waste water base rates as well as the water tiered rates same as 2020
- Insurance is tentatively increasing by 7.1 % and average employee raises will be in the range of 2.5 to 2.7 % per the current literature and projections. (Note: Recent hires have been single so insurance spending is below plan in FY2020.)
- In addition to the ongoing OODWW program, 2021 projects are slated to include more sophisticated meters for each ratepayer, upgraded servers, and a replacement phone system
- Irrigation audits --- employees now in training to perform

Earl reminded us about tax savings for the rate payers in 2022 as one of the currently outstanding bonds will have matured.

Info Sharing

- Lohmans Crossing land sale is now scheduled in phases.

- Approximately 40 homes are now hooked up in the OODWW program with another 40 scheduled through September 2021. Emergency situations will continue to be accommodated.

Our Next Meeting is Tuesday September 1st at 1:30 PM to finalize the 2021 Budget.