

**Lakeway Municipal Utility District
Finance Committee
Meeting Minutes
October 5, 2021**

Attendees: Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Bill Cobb; Ann Smith; Hal Hirsch, Secretary; Earl Foster; General Manager; Lawrence Christian, LMUD Board Liaison
Absent: None

August Year to Date FY'21 P&L (11 of 12 Months) -- looking good for Full Year

Revenue of \$4.9 M is better than Plan by \$0.6 M and above August YTD FY'20 by \$0.1 M.

Expenses of \$4.1 M are \$0.1 M better than Plan but (\$0.1 M) more than last August YTD.

Expenses include a series of FY'21 unplanned maintenance needs including pumps.

Therefore, LMUD's Net position prior to Capital, and Debt Principal + Interest is \$0.8 M which is \$0.7 M better than Plan and equal to August YTD Fiscal Year 2020.

From October 2020 through August 2021, Water volume through the Plants is down 6% while Waste Water treatment is up by 17% compared with August YTD of Fiscal Year 2020.

Fiscal Year 2021 Budget

On a preliminary basis, the full year LMUD P&L performance is trending favorably with Revenues potentially 6% better than Plan and Expenses possibly 6% below Plan. LMUD's fiscal year ended on September 30th. The Finance Committee anticipates reviewing the Full Year 2021 at our next meeting.

Isolating Operations Reserve Cash on Balance Sheet

For simplicity, and because the current Rate Stabilization Balance has never been used, LMUD will ask the Board of Directors to combine the Rate Stabilization Balance with the Operations Reserve Balance for a total of \$1.067 M in the Operations Reserve Balance. While this is a bit shy of 3 months of expenses, LMUD can add funds in future years via a bookkeeping entry. This is a "cash cushion" in case of extreme situations.

Discussion Highlights:

- Sale of a portion of LMUD land near Rt 620 and Kollmeyer Drive is progressing --- scoped at \$360 K – buyer is Texas Department of Transportation
- LMUD still negotiating with Lakeway to obtain land for water storage near the Water Plant --- reviewing alternatives
- Legend Properties now paying \$15 K / month to eventually purchase LMUD land along Lohmans Crossing Road -- final portions of the sales are 'anticipated for January and September of 2022 for a combined total of roughly \$5 M.

The **Next Meeting** of the Finance Committee will be **Tuesday November 2nd, at 1:30.**