

**Lakeway Municipal Utility District  
Finance Committee  
Meeting Minutes  
December 7, 2021**

**Attendees:** Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Bill Cobb; Ann Smith; Hal Hirsch, Secretary; Earl Foster; General Manager

**Absent:** Lawrence Christian, LMUD Board Liaison

**October Financials:** October was Month 1 of Fiscal Year 2022. Revenue was \$165 K while Costs of Revenue and Expenses were \$396 K. October was not a bi-monthly billing month for LMUD. Earl is finalizing the 2022 Plan calendarization. There may be \$5 K of expense reductions applied for capitalization of the S5 Plant expansion project. The Supervisory Control and Data Acquisition (SCADA) expenses of \$21 K were high due to 'onetime' radio and equipment acquisitions. Water usage was down by 6% compared with October 2020 while Wastewater plant volume was up 27%.

**Texas Senate Bill 3** was passed in the last legislative session in response to the February 2021 Freeze. Earl calculated a need for an unplanned \$3.1 M expenditure of which roughly \$0.8 M can be deferred. The costs are for three backup generators and installation; (for a booster pump on Rolling Green; one of the two barges in Lake Travis; and a secondary feed from Pedernales Electric at Water Plant #3). The potential deferral is 2-3 years for 3 additional generators.

**Capital needs** are seriously increasing and will need to be replanned due to inflation. Earl is wanting to start discussion about the possibility of a Bond Issue since the roughly \$30 M of capital requirements exceeds the preliminary cash availability. The suggestion would be to hold a bond election for LMUD voters for \$15 M of new bonds. There are currently outstanding bonds maturing in 2022 so some of the new taxation would refill that gap. The 'new' bonds could be split into two tranches based on need with commitments and cash about 3 years apart and each bond at roughly \$7.5 M. Assuming voter approval, the LMUD Board would be required to sign off prior to incurring new indebtedness.

#### **Info sharing**

- The contractor is about 40% completed on the installation of new Water Meters. If desired, customers will be able to view usage and pay their bill via an app.
- TXDOT closed on the land sale of 0.4 acres, which was a portion of the LMUD cedar tract along Route 620 near Kollmeyer Road. Proceeds to LMUD were \$355 K, including funding to install a fence to separate the properties.
- Land sale for LMUD's property for the 'Lakeway Square' project is set with the commercial portion closing in July '22 at \$3.7 M and the remainder to close January '23 for \$1.6 M.

**Next Meeting** will be January 4<sup>th</sup> at 1:30. Happy HAL-Idays to all!

**Bill Cobb**, our long time resource, announced he is leaving the committee at the young age of 95. Bill leaves with our best wishes and deep appreciation for his significant 11 years of service on the LMUD Finance Committee. Thank you.