

**Lakeway Municipal Utility District
Finance Committee Meeting Minutes
June 7, 2022**

Attendees: Vince Maggio, Chairperson; Bud Welborn, Vice Chairperson; Ann Smith; Jason Buddin; Hal Hirsch, Secretary; Earl Foster; General Manager; Lawrence Christian, LMUD Board Liaison. **Absent:** None

Financials

Through April, which was Fiscal Month 7 of Fiscal Year (FY)22, P&L performance is tracking well compared to both Plan and prior year. April was not a revenue collection month for LMUD customers. Some revenue streams, however, including MUD District #11's Water and Wastewater Revenue, are recorded monthly.

Through April, Revenue of \$3.2 M is \$0.4 M better than Plan. Expenses of \$2.7 M are at Plan levels. The P&L Net position before Capital and Bond Principal & Interest is therefore, \$0.5 M which is \$0.4 M better than Plan. Compared with April YTD of FY 21, Revenue is ahead by \$0.2 M while expenses have increased by \$0.1 M.

We discussed the key variances to Plan and Earl (thanks) reissued the P&L to update the M&O Tax Revenue account.

Capital Projects Cash Flow

Earl has made a series of assumptions to project LMUD cash needs in the current inflationary environment. Roughly \$3 M of the almost \$4 M shortfall by FY 27 is associated with the TX law requiring backup generators relating to the February 2021 Freeze. LMUD has applied for a Federal Grant but the status is not yet known. The group considered the need for gradual increases to the base rates as well as the tiered water rates.

Discussion Items were wide ranging and helpful:

- Earl is teaching two financial people to be his backups for the annual plan preparation. We also asked for them to provide documentation.
- The heat has arrived early this year. Our yard watering may have to be curtailed to once per week. The rice farmers may not be getting water to support a second crop depending on near term water levels in Lake Travis.
- Sale of the LMUD property on Lohmans Crossing may be delayed again. LMUD may receive an extra \$10 K / month --- to \$30 K/ month --- for this one year delay.
- City of Lakeway is now shying away from selling property to accommodate a needed pond for LMUD's plant expansion. Alternate engineering is required in case a tank becomes the best approach. LMUD once owned this land.
- Earl provided a 14 year graph of Water and Wastewater Revenues. The Wastewater is trending consistently higher while the Water Revenues appear erratic (but consistent with average temperatures).

Next meeting(s): We set a date of July 12th for a possible meeting; but the next meeting may not occur until **August 2nd** and focus on the FY 23 Budget.