



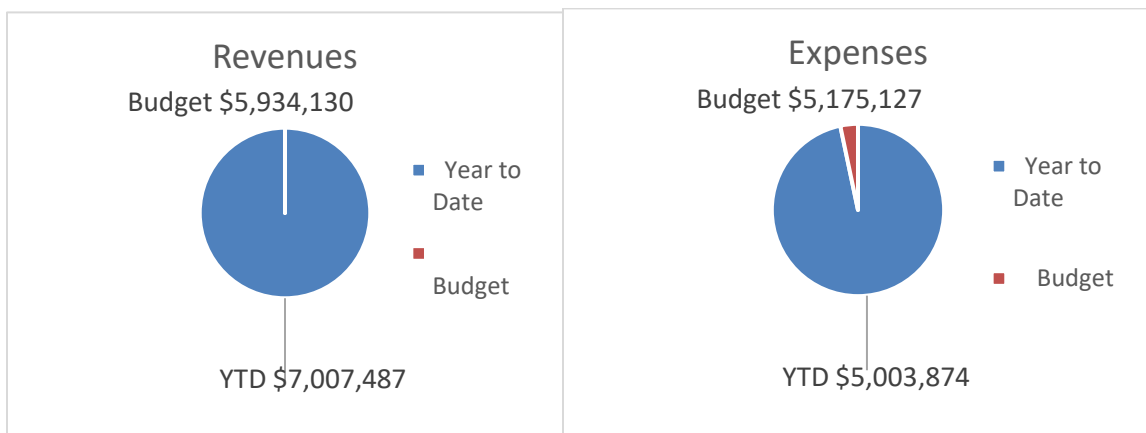
Lakeway MUD Finance Committee Meeting Tuesday October 31, 2023 1:30pm

Attendees: Lee Smith Mike Cripe
 Vincent Maggio Frank Cooley, Board Liaison
 Bud Welborn Earl Foster, GM

Absent: Ann Smith
 Jason Buddin

Minutes:

1. Review September Financials – The September financials, which represent the 2023 fiscal year, were reviewed with a brief discussion. Current fines, penalties and reconnects are included under Penalty Revenue. There was over a 180% increase in this revenue stream over last year.
 - *Revenue* for the month compared to last year was up 10.8% and YTD was up 4.2%. We are at 118.1% of budget. Water revenue for the year = 53.1% of total revenue, wastewater = 39.7% and penalties/misc. = 7.2%
 - *Expenses* for the month were up 5.9% and YTD up 3.9%. YTD expenses represent a total 96.3% of the annual budget.
 - *Net Revenue* was up 17.8% and up substantially for YTD. (See attached financials)



2. Review Capital Expenditures: - The current CapEx budget needs to be reworked to remove some outdate data and reallocate other entries. Earl will present at the December meeting.

3. Health Plan: Most employees have done their base line health plan review. We still need more response from the families to complete the changeover. The new plan has been well received.
4. Penalties and Fees: There has been a lot of activity on the Water Smart communications report with 5659 pageviews. Of the approximately 4200 emails sent to customers concerning water restrictions from August 17 to the 30th there are 25 that have been classified as non-compliant with 2 to 3 possibly going before the Board to state their case. There have been 504 customers who have received 3 or more notices of which 76 were validated and penalties applied to their account. There were 181 customers who never contacted us and were assessed a fine. The Board will be asked how to handle the violators who were fined and paid their bill but not their fine. Earl shared that as of right now those customers' water will be shut-off for nonpayment.

The Finance Committee recommended an expanded definition of the violations and associated penalties including disconnecting service. The Finance Committee fully supports Earl in any recommendations to the Board. If everyone understands the rules nobody should have any questions about the penalties plus this could help the Board understand the situation since they will be dealing directly with some customers.

5. Rate Level Escalators: The new rate increases based on water usage are affecting only about 31% of LMUD users. 69% in the first two tiers were not affected.
6. Open House: Approximately 20 people attended the event this year. In the future there will be two open houses per year.
7. There being no other business the meeting was adjourned.
 - **Next meeting is December 5th at 1:30pm.**