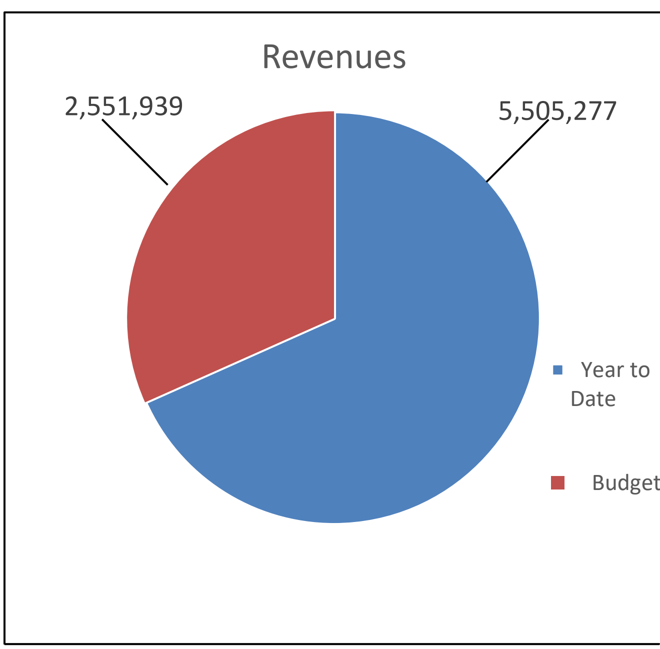
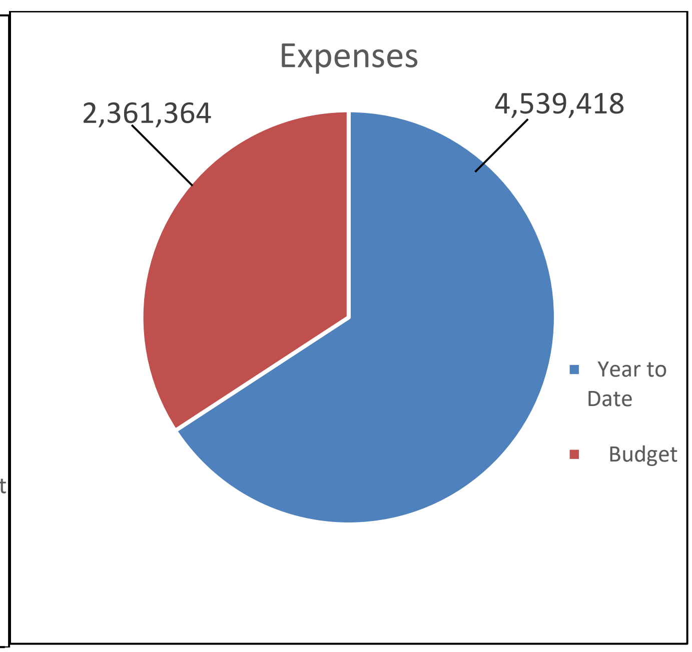
Lakeway MUD Finance Committee Meeting
Tuesday July 7, 2026, 1:30pm

Attendees:	Lee Smith	Earl Foster, GM
	Ann Smith	Frank Cooley, Board Liaison
	Kat Grady	Mike Cripe
	Vincent Maggio	

Minutes:

1. <u>May Financials:</u> (See Attached)
   Total Revenues thru May are $5,505,277, 68.33% of Budgeted amount $8,057,216.
   Total Expenses thru May are $4,539,418, 65.78% Budgeted amount $6,900,782.
   This is a revenue month and we are in good shape and meeting budget. The water revenue is way ahead of budget due to greater service area, District #11. Wastwater doen't show the same increase since we already servicing that area. Note that District #11 payment was late and wasn't received until June 28th. District #12 didn't pay $92,501 April charges until June 3rd. The District #11 transition is still going smoothly and will be closing their books September 4 to coincide with LMUD closing. The customer service agreement is vitally important to the change over and needs to be completed by December 1 for the first billing. We anticipate that there will be some lagerts.





2. First Draft of the '27 Budget:
Currently the projected revenue budget is about 90% complete. Projected revenue is projected to be 19.98%. A significant source for the increase is the assumption of District#11, where the revenue will go from $324K to $1.6M.

The 2027 expense budget is based on comparing the Oct 25 – May26 figures annualizing and the actual May 25 – June26 figures to generate the 2027 proposed budget. Assumptions in the 2027 budget include a 4% salary increase, 20% health insurance increase, 10% dental increase, a 10% workers comp increase and a decrease in retirement costs. There will also be increased costs for the purchase of water for District #11/12/13. The overall projected expense increase for 2027 is 8.5%.

The proposed budget is due for presentation at the September Board meeting.

3. Other Business:
    a. There will be a 2027 rate increase on Water of $3, from $33 to $36, and $3 on Wastewater by $3, from $27 to $30. There will also be an increase in the winter averaging from $2.50 to $2.80. With these increases we should be able to maintain rates for several years. (See Attached)
    b. Haythem Dawlett has asked for an extension on the closing until October 31. Our best response is to increase the purchase price by $100,000, increase extension to $40,000 and he pays the $10,000 now and defers $30,000 to closing. That option would decrease his immediate out of pocket to conserve capital and would compensate us for the extension.

4. There being no further business the meeting was adjourned:
Next meeting is August 4, 2026 at 1:30pm.