

Lakeway MUD Finance Committee

Meeting Minutes – December 4, 2012

Members in Attendance: Larry Burmeier (Chair), Jack Lewis, Lawrence Christian, Vince Maggio
Earl Foster (General Manager), and Kay Andrews (Board Liaison)

Member(s) Absent: Bill Cobb

Meeting called to Order at: 3:00PM

1. Review Financial Report for October, 2012

Earl pointed out that since the report was missing water revenue, next month's report would be more relevant. Also, when the Committee questioned both the budget and expenses for "Employee Welfare –Admin.", Earl noted that the reporting "cells" had been misaligned, necessitating that the report would have to be corrected. It was agreed that Earl would correct the report and send it by e-mail, to the Committee members.

2. Introduction of New Committee Members

The Chair recognized the presence of two new members to the Finance Committee, **Lawrence Christian** and **Vince Maggio** who introduced themselves to the other members and provided a brief bio.

3. Manager's request to transfer money to Capital Expenditure account

Earl requested the Committee's approval to transfer surplus money to the Capital Expenditure Account for **two** separate projects:

- (1) **\$75,000 to Purchase AMR s** (Automatic Meter Readers) . Installation of these new meters (costing approximately \$180 per meter) will result in a significant reduction in time and expense that it takes to read meters, and ultimately may allow LMUD to bill on a monthly basis.
- (2) **\$25,000 for Paint Inspection** . Earl stated that elevated storage, E2, and E3 all require painting and the painting must be inspected by an expert, to assure the paint is applied correctly and under the right conditions. "HOT Inspections" is the only local company with the appropriate expertise. Neither the Paint Contractor, nor LMUD have the expertise required.

Following discussion, the Committee voted unanimously to recommend to the Board that they approve the Manager's request for transfers of money for both projects.

4. Bond Refinancing

Larry said he wanted to bring up the subject of Bond Refinancing again and discuss if the time is now right to do so. Earl reminded Larry that the Committee last met with its financial advisor

(Specialized Public Finance, Inc) on September 4th, 2012, at which time the Committee was advised that “Now was not the time to refinance our 1997 Bond Issue”, and that it would only make financial sense to do so when new bonds are issued.” Earl stated that he will be meeting with the Financial Advisor in the near future, and will bring this subject up again. Larry asked Earl to put this subject on the Committee’s January agenda, after he talks to the Financial Advisor.

5. Election of Vice Chair

Since the position of Vice Chair of the Finance Committee was vacated when Larry became Chair, he nominated new member, **Lawrence Christian** to fill the vacant position. The Committee voted and unanimously approved Lawrence’s appointment.

Next Meeting Date: While the Committee usually schedules it’s meetings to be held on the first Tuesday of each month, the meeting for January, 2013 will be **3:00pm, Tuesday, January 8th** to accommodate those will not be available on January 1st (New Years Day) .

Meeting was Adjourned: at 4:35PM

Jack Lewis
Secretary