

LAKEWAY MUD FINANCE COMMITTEE

Meeting Minutes – September 4, 2013

Members in Attendance: Lawrence Christian (Vice-Chair), Jack Lewis (Secretary), Vince Maggio, and Earl Foster (General Manager)

Members Absent: Larry Burmeier (Chair), Bill Cobb, and Kay Andrews (Board Liaison)

Meeting Called to Order at: 2:32 PM

Agenda Items

1. Review of July Financials

The Committee reviewed July Financial Report, focused on budget deviations of 150% or greater through July, 2013. Deviations appeared to be fewer and falling in line with year-end projections. Jack questioned “Expense Recovery” under the Miscellaneous Revenue being over YTD Budget by 342% and Earl said he would have to check on this and would advise the Committee. Overall Total Revenue YTD is \$4,382,279 (\$180,704 below YTD Budget, with \$139,520 of this amount attributable to the B-4 Barge Budget, which has no revenue recorded for this item.) Overall Total Expenses YTD is \$4,558,863 for a Net YTD Loss of \$176,584. Current YTD Expenses compare favorably to last year’s YTD Total of \$6,385,741.

2. Capital Expenditure for AMR’s \$75,000

Earl requested that the Committee approve his request for \$75,000 Capital Expenditure for additional Automatic Meter Read water meters, which would simplify and reduce the expense of reading meters, and allow LMUD to go to monthly billing. Earl explained that the money for this would come out of available “construction account” reserves.

Lawrence Christian made a motion to approve, and Vince seconded the motion. All three members present voted “aye” and the motion carried. The Committee therefore recommends to the Board of Directors that they approve Earl’s request for \$75,000 Capital Expenditures for additional AMR’s.

Additional Items Discussed, But not On Agenda:

Repairs needed on B-4 Barge.

Earl advised the Committee that a hose on the B-4 barge busted the weekend of August 24th. After it was isolated by the operator and water supervisor, the water supervisor noticed the flow meter showing flow, which indicated that, the problem was isolated. The Operator then made his way back to the marina in the boat. He was met there by the water supervisor. He said they needed to go back to the barge the flow had dropped back to zero. They went back to the barge and noticed an 8-inch gap between the 16-inch spool piece and the flange also a couple of valves broke, which necessitated that it be shut down. After some work, 1 pump is now working, the others are not. This shut down did not affect any of our customers. We were able to continue operation using our Raw Water Barge. Replacement hoses have been ordered and the barge should be fixed by October. Estimated cost of repairs is \$150,000. LMUD’s share of this expense is 59%, which will come from the “Construction Account”. The Committee suggested that Earl change the name of the “Construction Account” to “Reserve Fund” or some other appropriate name.

Results from Joint Meeting with APC Committee

Earl reported that the Joint Committee recommended that LMUD's Employee Health Insurance be changed to United Health Care. This reduced the estimated increase in premiums from 15% to an actual 9% increase, which now appears in the 2014 Budget.

Jack Lewis' Resignation

Jack Lewis informed the Committee that he was resigning his membership on the Finance Committee, effective September 11, 2013, following two years of service. He told the Committee that he had informed the Committee Chair of his intention at the August 6th Meeting.

Meeting Adjourned at: 3:20 PM

Next Meeting Scheduled for: 2:30 pm, Tuesday, October 1st, 2013.

The September 4th, 2013 Minutes have been read by and approved by all Committee Members by e-mail. These minutes approved the 6th day of August, 2013.

Yeas: 3. Nays: 0. Absent: 2

Submitted by:

Jack Lewis

Secretary

