

Lakeway Municipal Utility District Finance Committee Meeting Minutes

May 6, 2014

Members in Attendance: Larry Burmeier (Chair), Lawrence Christian (Vice Chair), Kay Andrews (Board Liaison), Bill Cobb, Earl Foster (General Manager), Vince Maggio, Hal Hirsch (Secretary).

Absent: None

Meeting Discussions / Coverage

· We reviewed the Fiscal Month 6 (March, 2014) P&L with the group. March was a turnaround month:

	<u>March (\$000)</u>		<u>March YTD (\$000)</u>	
	<u>Actual</u>	<u>B/(W) Plan</u>	<u>Actual</u>	<u>B/(W) Plan</u>
Revenue	\$670	\$9	\$2368	\$(69)
Expenses	<u>222</u>	<u>37</u>	<u>1591</u>	<u>89</u>
Net Revenue / (Loss)	<u>\$448</u>	<u>\$46</u>	<u>\$777</u>	<u>\$20</u>

The Net P&L is favorable to Plan by \$20 K YTD.

Continuing the trend highlighted last month, Revenue is now \$279 below 2013 at this point, causing the net position to lag last year Net Revenue / (Loss) by \$273 K through six months.

- Earl shared a problem experienced with pumps at the S4 Reuse Site last weekend. Earl is pursuing reimbursement for the incremental costs incurred with the long time contractor who had performed the maintenance. If Earl is not successful on the reimbursement, the exposure is roughly \$20 K. The problem is not ongoing.

- There are now 11 MUD's in the Highland Lakes Firm Water Customer Cooperative (HLFWCC) which Earl spearheads.

- TCEQ (Texas Commission on Environmental Quality) is organizationally above both the Local MUD's and the LCRA.

- HLFWCC hired a consultant to check LCRA practices and rates. Lakeway MUD's share of that expense is roughly \$1 K.

- TCEQ is now working on addressing Lakeway MUD's request regarding clarification and relief on the cedar tract rulings.

- We reviewed the Capital Expenditures / Special Projects Account including Earl's suggested reallocation of roughly \$1872 of unspent funds.

- The group voted unanimously to accept Earl's Replacement Time Line for Vehicles and the recommendation to replace Truck #1 and Truck # 14, both of which are Ford F150's, dating from 2005 and 2006 respectively. The MUD has an aggressive maintenance program and trucks are lasting longer now. New trucks are bought at an attractive "Government" price and the older trucks are traded in. The "on-call" person takes a truck home but the supervisor no longer does. If the Board approves this purchase, the new trucks would be in service around this August.

- Earl is still researching wells to depths of 500 and 850 feet with 6 inch or 8 inch pipes to flow roughly one thousand gallons / minute.

Action Items

- Earl will respond to Larry's request to add scoping data to make the new District Funds Flow chart a more valuable document.

- We will review the Future Debt Service Schedule at our next meeting.

- We will begin brainstorming Resource / Result Ratios to see if we can identify valid input / output metrics to help trend operational and financial data over time. This could be akin to labor hours / water delivered and water processed. We will start this in June.

The next Finance Committee Meeting will be **Tuesday, June 3 at 3 PM** at LMUD HQ.

Hal Hirsch (Secretary)

5/7/14