

Lakeway Municipal Utility District Finance Committee

Meeting Minutes – May 5, 2015

Attendees: Lawrence Christian (Chair), Hal Hirsch (Secretary), Bud Welborn, Kay Andrews, (LMUD Board Liaison), Earl Foster, (General Manager), Mel Neese (LMUD Board)

Absent: Vince Maggio (Vice Chair), Bill Cobb

Financials

	LMUD P&L					
	\$(Thou)					
	March (Mo 6)			March YTD		
Actual	Fav / (Unf) Plan	Fav / (Unf) 2014	Actual	Fav / (Unf) Plan	Fav / (Unf) 2014 YTD	
Revenue	\$631	(\$56)	(\$40)	\$2,390	(\$65)	\$22
Expense	259	(6)	(36)	1641	82	(50)
Net P&L*	\$372	(\$62)	(\$76)	\$749	\$17	(\$28)

*Excludes Principal, Interest, and Capital

- **March Year To Date** (YTD) Revenue of \$2390K was (\$65)K less than the 2015 Plan but \$22K greater than 2014 at this point which is through Month 6.
- March YTD Expenses of \$1641K were \$82K favorable to YTD Plan but (\$50)K more than the corresponding March 2014 YTD.
- Through the first six months, the Net P&L reflects a positive position, before Bond Repayments and Major Capital Projects, of \$749K, which is \$17K, or 2%, favorable to Plan, and (\$28)K, or (4%), unfavorable to March YTD 2014.

Purchasing and Spending Authority

- Earl has done a major upgrade to the version we reviewed last month. The Draft is now 28 pages including the Purchasing Procedures, Authority Matrix, and Purchasing Law Overview for MUDs. The legal section includes: Contracts, Property Acquisition, Professional Services, Disclosures, etc. **We are all to Review this draft and provide feedback to Earl.** The timetable is for Final Finance Committee Review in June including presentation to the LMUD Board later in June.

Variable Frequency Drive Purchase for Booster Pump 2

- Finance Committee recommended approval for \$24K based on the 5 year payback on the 20 year booster pump in our April meeting. This is now the second of three Variable Frequency Drives. The Austin Energy savings of \$300 to \$500 per month provides a positive payback on each unit.
- We reviewed Earl’s handout on the \$223K of 2015 YTD Capital Expenditures, primarily Automatic Meters at the customer sites.

Funds Investment

- Lawrence researched local bank CD rates to potentially improve LMUD return above the practically zero rate from Texpool. **Earl will contact the Financial Liaison, previously involved with LMUD Bond issuance, to explore more attractive alternatives which may not be limited to local bank CD’s.**

Next meeting will be Tuesday June 2nd at **1:30 PM**