

Lakeway Municipal Utility District
 Minutes of Finance Committee Meeting
 November 3, 2015

Attendees: Lawrence Christian - Chair, Vince Maggio - Vice Chair, Bill Cobb, Bud Wellborn, Hal Hirsch – Secretary, Earl Foster - LMUD General Manager, Kay Andrews - LMUD Board Liaison

Absent: None

2015 Full Year Net P&L was **\$178K favorable** to Net Plan prior to any potential Audit Adjustments. This is fantastic performance in a challenging year of both drought controls on water usage, as well as periods of major rainfall. Most significantly, and a huge benefit from the LMUD Personnel, Expenses were \$190K below Full Year Plan, which was 5.4% better than Plan and a mere 1.8% growth over Fiscal 2014 Expenses.

September monthly revenues were above Plan by \$149K, or a full 16%. September Revenue, representing the August / September bimonthly billing cycle, was over \$1Mill and almost a fifth of the full Year Revenue of \$5.1Mill. The Fiscal 2015 Full Year Revenue was virtually on Plan and just below the 2014 Actual Revenue:

Full Year 2015 Fiscal Year (\$000)

	<u>Actual</u>	<u>Fav / (Unf) Plan</u>	<u>Fav / (Unf) 2014 YTD</u>	<u>Memo: 2015 Plan</u>
Revenue	\$5113	\$(12)	\$(30)	\$5125
Expenses	<u>3330</u>	<u>190</u>	<u>(60)</u>	<u>3520</u>
Net Revenue / (Loss)*	<u>\$1783</u>	<u>\$178</u>	<u>\$(90)</u>	<u>\$1605</u>

* Prior to Principal and Interest Payments, and prior to Capital Requirements

We discussed a number of the line items in both the Revenue and Expense Performance with Earl providing background.

We then reviewed potential actions for communicating **Appreciation** for this outstanding result to the Employees. We concluded that a floating extra day off in Fiscal 2016 would be appropriate but left a final decision up to the LMUD Board and the General Manager.

We again reviewed the **LMUD Investment Policy**, updated some wording, and will seek approval from the LMUD Board at their November 18th meeting. We need three trained individuals, which includes one Board member, to be in compliance with the policy. Since Lawrence was scheduled to be out of town, Vince will speak on this agenda item at the Board meeting. The \$4.9 Mill payment from the Rough Hollow MUD Wastewater project is now available to initiate modest investing outside of Texpool. The Finance Committee recommends that the Board approve the LMUD Funds Investment Policy.

The **Annual Audit** has begun.

Headcount is still 1 below Plan but there are efforts to fill that slot.

Our next Finance Committee Meeting is **Tuesday, December 1st at 1:30 PM.**