

**Lakeway MUD Finance Committee
Meeting Minutes
October 11, 2016**

Members in **Attendance**: Vince Maggio, Bud Wellborn, Ann Smith, Hal Hirsch, Lawrence Christian (Board Liaison), and Earl Foster (General Manager)

Absent: Bill Cobb

Financials through August (Fiscal 2016 month 11)

- Revenue of \$4.3 M is \$0.6 M ahead of Plan and also \$0.3 M favorable to this point last year.
- Expenses of \$3.1 M are 3% above Plan primarily related to the incremental water, chemicals and energy associated with the above plan sales.
- Net Revenue and Expenses (before Capital and Bond Repayments) is \$1.2 M which represents a favorable variance of \$0.5 M vs. August YTD Plan; and \$0.2 M favorable to this point of 2015.
- The 2017 Financial Plans appear solid given our latest review of performance.

LMUD recently **invested the first \$1M of Cash** in the CDARS program. There are four investments of \$250 K each with annualized interest rates ranging from 0.57% up to 0.9%. Time frames vary from a half year up to 2 years. There were no 18 month opportunities so there are two CDs at 2 years each. There are near term plans to invest the second million in a laddered fashion with a broker. We are then likely to request LMUD Board approval for an additional \$2 M of laddered investments.

Working with the E&O committee plus the LMUD Board, Earl took advantage of a recent **Equipment Purchase** opportunity for \$67 K for a truck trailer, small skid steer loader, small track hoe and attachments . The Finance Committee concurred in this purchase of capital equipment that was already dedicated to LMUD use.

The LMUD Board is asked to approve \$16 K for the **Annual Audit** at their October meeting. The on-site work is anticipated to take 2 weeks in November and the Audit is slated for February 2017 completion. The vendor is the same as previous although the practitioners will be different.

In a conversation before the meeting, Loyd noted that he is now engaged in the **Billing Software** upgrade.

Earl stated that the **Land Sale** of the roughly 80 acres on Lohmans Crossing is in progress.

The Board is now operating with their **iPads**. Paperwork is reduced.

Next Finance Committee Meeting: Tuesday November 1, 2016 at 1:30 PM.

Hal Hirsch (Secretary)