

Lakeway Municipal Utility District

Finance Committee

June 6, 2017 Meeting Minutes

- **Attendance:**

Present: Bud Welborn (Vice Chair); Ann Smith; Bill Cobb, Hal Hirsch (Secretary); plus Lawrence Christian (Board Liaison); and Earl Foster (General Manager)

Absent: Vince Maggio (Chair)

- **Fiscal April YTD P&L:**

Based on the financials Earl provided:

Revenue

Through April, which is Fiscal 2017 month 7, Revenue of \$2,605 K is \$257 K below plan and \$135 K, or 5%, below April YTD 2016. April was not a billing month.

Water Rates were reduced for 2017, and we will begin reporting YTD water sold vs. the prior year YTD, in the billing months (even numbered fiscal months), to better understand the growing revenue variance.

Expenses

Expenses of \$1,960 K are less than YTD Plan by \$182 K, offsetting the major portion of the Revenue Variance. Through April, Expenses are \$37 K, or 2%, above the April 2016 YTD position.

Net Profit and Loss before Capital and Bond Repayments

LMUD's Net Position, prior to Capital and Bond Repayments, of \$645 K, is \$75 K unfavorable to Plan and 27% below the comparable 2016 YTD position. The upcoming lawn watering months may provide an opportunity to operate more closely to Plan.

Thanks to Earl for providing timely feedback on questions that we raised.

- **Investments outside of TEXPOOL:**

Earl provided the detail sheets of the \$4.5 M invested outside of Texpool. Based on recent maturities, there is \$250 K ready to reinvest.

- **2004 Dump Truck Engine:**

Due to a head bolt malfunction, a 2004 Ford truck diesel engine needs replacement. The mileage is only 50K so Earl recommended the repair vs. a new truck replacement of ~ \$52 K. The engine costs \$16 K and Earl thought the truck could possibly provide another 10 years in service. The Finance Committee voted 4 - 0 to concur with the recommendation. Insurance did not cover the loss and Ford will be asked next via a letter from the lawyer.

- **Next Finance Committee Meeting** is **Tuesday, July 25th at 1:30 PM** to work on the 2018 Plan.