

**Lakeway MUD Finance Committee
Meeting Minutes
May 1, 2018**

All Members Attended: Vince Maggio, Chair; Bud Wellborn, Vice Chair; Bill Cobb; Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, (Board Liaison); and Earl Foster, (General Manager)

Fiscal Year 2018 LMUD Financials (through March):

Fiscal Year 2018 P & L (March, Month 6 YTD)
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	<u>Actual</u>	Fav / (Unf) <u>Plan</u>	Fav / (Unf) <u>2017 YTD</u>	Memo: <u>FY 2018 Plan</u>
Revenue	\$ 2473	79	7	\$5150
Expense	1791	5	(120)	3687
Net*	\$682	84	(113)	\$1463

* Before Bond Payments and Capital

- 2018 Revenue continues to track very well
- The Expense variance compared with last year relates primarily to Purchased Services for the land sale and the Out of District Waste Water (OOD W/W) project. An additional \$41 K of these expenses, associated with the OOD W/W Capital Project, has been moved “below the line” on the P&L. Earl is continually ‘scrubbing’ these charges.
- Net Revenue / Expense (before Bond Repayments and Capital) of \$682 K is better than the 2018 Plan; but behind 2017 Year to Date largely due to these program expenses.

Out of District Waste Water Project Phase 1

The Finance Committee concurred that Earl should present the OOD W/W project at the May LMUD Board Meeting. The current estimate of \$7 M includes: \$4 M of LMUD costs; \$1.6 M of contractor labor / Materials; and \$1.4 M in contingencies. This is \$18K / Connection for the costs associated with the first 324 connections (Phase 1) out of the eventual 1000 connections at project maturity. Earl submitted a request to LCRA for a \$100 K grant.

Potential payment on callable Bonds issued in 2009

Earl shared a plan to pay down the bonded indebtedness in September as the 2009 issue becomes callable. This would reduce future LMUD interest costs. The Committee concurred to seek LMUD Board approval in July which would provide time for the paperwork. Earl is now analyzing a pay down of \$1.2 M vs. \$2 M.

Investments outside Texpool Total \$8.5 M

LMUD has \$6.5 M invested with FNC. The weighted Average Maturity is 1.07 years and the Weighted Average Yield is 1.7% per annum. Additionally, there is \$2 M now invested with CDARS. Annual yields vary from 0.9% up to 2.1%.

Next Meeting of the Finance Committee

Tuesday, June 5, 2018 at 1:30 PM