Lakeway Municipal Utility District

Finance Committee

Meeting Minutes --July 12, 2016

Attendees: Bud Wellborn, Bill Cobb, Hal Hirsch, Lawrence Christian (Board Liaison), Earl Foster (General Manager)
Absent: Vince Maggio

P&L Performance continued better than Plan. Through May, which was the eighth month of Fiscal Year 2016, LMUD is ahead of Plan on both Revenue and Expenses. **Revenue** of $3.4M is almost $0.5M favorable to Plan and $0.3M ahead of the corresponding timeframe last year. **Expenses** of $2.1M were essentially on Plan and equivalent to this time last year. **Net P&**L of $1.3M, prior to Capital and Bond payback, was $0.5M better than Plan and $0.3M favorable to May YTD 2015.

LMUD's **Balance Sheet** includes $16M of cash most of which is earmarked for Debt Service, Construction, and Wastewater Plant Expansion.

Earl has attended **Financial Training** for investments outside of Texpool. Loyd is taking the class via correspondence now and Lawrence will attend a near term class. The intent is to utilize the CDARS program to improve upon the Texpool interest rates and begin with laddering $2M of the $4.9M earmarked for Plant Expansion.

Earl has begun a Preliminary **2017 Budget**. This will be reviewed with the LMUD Board at their July 27th meeting. Insurance Rates and Merit Increases are not yet final.

The group reviewed two resumes submitted for the open **Finance Committee position**. Both applicants are qualified. Lawrence will present these resumes to the LMUD Board on July 27th.

The Committee voted 2-1 in favor of saving $1.3K of interest by **Pre-funding $0.2M** remaining on the 2013 Bond Issue. This will be presented to the LMUD Board on July 27th.

The **next Finance Committee meeting** will be either August 9th or August 16th. The focus will be on 2017 Budgets and Tax Rates.