

Lakeway Municipal Utility District

Finance Committee Meeting Minutes

June 9, 2020 (via Meeting Software)

Attendees: Vince Maggio, Chairperson; Bud Wellborn, Vice Chairperson; Bill Cobb, Ann Smith; Hal Hirsch, Secretary; Lawrence Christian, LMUD Board Liaison; Earl Foster; General Manager **Absent:** None

Profit and (Loss): April, 2020, which was Fiscal Month 7 for LMUD's Fiscal Year, was not a full billing month. "In District" customers are on bi-monthly billing. Through Month 7, Revenues of \$2.9 M are \$0.6 M better than Plan due to the warm autumn weather in October and November of 2019. Costs and Expenses of \$2.4 M are at Plan. The Net P&(L) before Capital and Bond Repayments, is \$0.5 M, which continues at \$0.6 M ahead of the 2020 Plan. The LMUD staff is doing well on expense management during the Out of District Waste Water project as well as the COVID-19 pandemic.

New Water Meters: LMUD intends to upgrade the customer water meters in the next six months. The pilot test will cost will be \$10 K. If successful, the Capital portion will follow, and that cost is estimated at \$1.5 M.

Billing Software: The current billing software, installed in 2016, is inconsistent for reporting and not meeting LMUD's needs. The Finance Committee concurred with Earl's proposal to implement Edmunds GovTech Software. One time fees were listed as \$29 K including data conversion and training. Annual Fees were \$24 K, which Earl noted was in line with current vendor's costs.

Cash: Earl took the Committee through the Financial Summary prepared for the June Board Meeting. The Out of District Waste Water project reflects \$0.2 M of Revenue and \$2 M of cost so far. Earl is now preparing a projection of total OODWW Project costs and timing. There is \$8.5 M invested at FNC and the CDARS investments have ended. Interest rates are dropping rapidly for these investments. LMUD's current average interest rate of 2.1% will drop dramatically as the 3% C/D's mature toward the end of this year. There is \$6.5 M at Texpool.

Full Time Engineer Position: The Committee requested that Earl analyze the full costs of converting this Contract person to Employee status including the impact of the resulting benefits LMUD will incur. Earl agreed to pull this item from tomorrow's LMUD Board meeting agenda.

Land Sale: Lakeway Zoning and Planning Committee and the Contractor are closing in on the site plan recommendation for the land LMUD currently owns along Lohmans Crossing.

Out of District Wastewater Project: Work continues along the Air Park (thanks for their superb cooperation) and a contractor has also been burying pipe near the Lakeway Swim Center across from the World of Tennis.

Next Meeting: Will be in person after Earl is sufficiently along on the 2021 Budget. Earl will communicate the date and time.