



Orange Water and Sewer Authority

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

Summary of the OWASA Board's Meeting on October 28, 2010

Please note: The summary below was prepared by OWASA staff and is not approved by the OWASA Board. Audio recordings of the OWASA Board's meetings and the Board's official minutes, when adopted, are available to citizens for review. Videotapes of OWASA Board meetings in the Chapel Hill Town Hall on the fourth Thursdays of the month are also available.

The OWASA Board of Directors:

Recognized 22 OWASA employees who have reached milestones of 5, 10, 15, 20 and 25 or more years of service to the community.

Changed OWASA's policy on account adjustments for repaired leaks in irrigation systems. Following consideration of a petition from a customer, the Board approved a policy change that will allow adjustments to a customer's bill when water is lost due to a leak in an irrigation system when the leak is beyond the normal and reasonable control of the customer. Previously, OWASA's policy had not allowed account adjustments for leaks in irrigation systems. A customer is eligible for a "leak adjustment" only once in a 36-month period per location.

Received an annual update on strategic trends and master planning issues. Key points included:

- Higher than expected demand, severe droughts, or emergencies conditions could require supplemental water before the expanded Quarry is available in the 2030s. Acquiring cost-effective access to OWASA's Jordan Lake water allocation remains essential.
- Experience during the past summer with the OWASA/UNC reclaimed water system confirmed its importance and future value by reducing the community's vulnerability to drought and by further deferring costly facility expansions that would otherwise be needed.
- It appears that the Mason Farm Wastewater Treatment Plant will be able to meet the Jordan Lake nutrient limits without major near-term capital investment and with significantly less chemical use than previously thought. The plant will not need another major capacity expansion until after 2030, and it is likely that more than \$60 million of previously programmed improvements can be deferred beyond the 15-year capital improvement planning period.

Received a report on OWASA's finances for the quarter ended September 30, 2010.

Operating revenues (such as monthly bill payments) exceeded budget by almost \$700,000 (7%). Operating costs for the quarter were about \$460,000 less than budget (10%). Overall, net revenue less debt payments was about 50% more than budgeted. However, staff cautioned that the first quarter results are not necessarily indicative of fiscal performance for the rest of the budget year.

Adopted an amendment to OWASA's Bond Order clarifying the definition of "current expenses" and how they are treated with respect to certain Bond Order covenants.

Received a report from the Board's Natural Resources/Technical Systems (NRTS) Committee.

Alan Rimer, Chair of the NRTS Committee, reported on initiatives including a proposed Water Shortage Response Plan prepared in accord with State requirements; seeking a clarification to the

agreement with local governments regarding OWASA's service area and conditions for obtaining water from outside Orange County; sustainable forestry management on OWASA property north of the Cane Creek Reservoir; and biosolids outreach communications.

Received a report from the Board's Finance Committee. Mac Clarke, Chair of the Finance Committee, noted that the first quarterly financial report to the Board showed positive results. Mr. Clarke also reported that the Committee discussed the merits of conducting a rate study during the current fiscal year. The Committee expressed support for staff's recommendation to continue and expand efforts to collect and analyze customer demand and consumption data: data that will be used to inform the rate-setting process for Fiscal Year 2012 and will serve as the foundation for a future rate study.

For more information, please see the agenda materials on our website, www.owasa.org in the "About OWASA" section.

The next scheduled business meeting of the OWASA Board will be on Thursday, November 11th at 7 PM in the Community Room at the OWASA Administration Building, 400 Jones Ferry Road, Carrboro.