



# 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 March 24, 2011

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.

**John A. Young, a Town of Chapel Hill appointee, took the oath of office as a new member of the OWASA Board.** Mr. Young has extensive experience in corporate development, finance and marketing; and has a Master of Business Administration degree from Duke University and a Bachelor's degree from Yale.

**The Board received a status report on developing the draft budget for the upcoming fiscal year (FY 2012) and potential rate increases.** Finance and Customer Service Director Stephen Winters reviewed projected costs, water demand and revenue; financial management objectives; and potential rate increase options. A key factor in the financial projections is that demand for drinking water in the current fiscal year is expected to average about 6.4 million gallons per day (mgd) compared to the 6.1 mgd estimated in the spring of 2010 when the current budget was adopted. Demand in FY 2012 is also projected to be higher than previously expected.

Rate options under consideration at this time are (a) no rate increase in FY 2012 and a 3% increase in FY 2013, or (b) rate increases of 2% in each year. Mac Clarke, Chair of the Board's Finance Committee, said the Committee prefers 2% rate increases in each year as a more even approach which takes into account the volatility of energy and chemical prices.

OWASA's FY 2012 budget development process is scheduled for completion in June. The next step will be submittal of the proposed Preliminary (non-binding) Budget to the Board on April 28<sup>th</sup>. Before decisions on the budget and rates, the Board will hold public hearings in the late spring.

**Received a report from Board Chair Gordon Merklein on local governments' actions regarding OWASA's request to clarify the County-wide Water and Sewer Management, Planning and Boundary Agreement regarding use of Jordan Lake water allocations.** The Board will have further discussion at a later date.

For more information, please see the agenda materials on our website, [www.owasa.org](http://www.owasa.org) in the "About OWASA" section.

The next scheduled business meeting of the OWASA Board will be on Thursday, April 28<sup>th</sup> at 7 PM in the Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard. (The April 14<sup>th</sup> Board meeting has been cancelled.)