



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 April 28, 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.

The OWASA Board of Directors:

Adopted a Preliminary (non-binding) Budget for the upcoming fiscal year (July, 2011 through June, 2012). The preliminary budget includes:

- \$19.1 million for operating and maintenance costs of the water, sewer and reclaimed water systems
- \$9.9 million for infrastructure (capital improvement) projects to renew, replace and improve water and sewer lines, treatment facilities, etc. to help maintain the quality and reliability of service and the structural integrity of the water and sewer systems
- \$8.8 million in debt payments for infrastructure/capital projects
- 1.5 fewer positions. Overall since 2004, OWASA has reduced its workforce by 15%.

The options under consideration for adjusting monthly water and sewer rates are (a) no rate increase in fiscal year (FY) 2012 and a projected 3% increase in FY 2013, or (b) a rate increase of 2% in FY 2012 and a projected 2% increase in FY 2013.

A key factor in the FY 2012 budget is the assumption that drinking water sales will average about 6.3 million gallons per day, or about 3% higher than originally projected for FY 2012.

The OWASA's FY 2012 budget process is scheduled for completion in June after a public hearing.

Scheduled a public hearing for Thursday night, May 26th on the proposed budget, capital program and potential rate increase. As indicated above, the OWASA Board is considering two rate options. A detailed schedule of potential rate increases will be developed and published before the public hearings.

Received and discussed a petition by Minister Robert Campbell on behalf of the Rogers-Eubanks Neighborhood Association for information on the potential cost and location for extending public water and sewer lines in the neighborhood. It was noted that Orange County has recently discussed the need for public water and sewer lines in this area. OWASA staff will contact Orange County to discuss next steps.

Received a report on the Human Resources Committee's review of bids for health, dental, life and disability insurance for employees in FY 2012.

Approved purchase of \$40,000 in land surveying equipment which is expected to pay for itself in one year or less by reducing the need to hire outside surveying firms.

Received a financial report for July, 2010 through March, 2011. Due to higher than expected water sales, savings in operating costs and lower than expected interest costs for variable rate bonds, net revenue for the current fiscal year through June, 2011 is expected to total about \$4 million.

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, May 12th at 7 PM in the Community Room at the OWASA Administration Building, 400 Jones Ferry Road, Carrboro.