ORANGE WATER AND SEWER AUTHORITY

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

MEETING SUMMARY
Finance Committee Meeting
January 27, 2011, 5:00 - 6:30 P.M., Chapel Hill Town Hall

Committee Members:	Mac Clarke (Chair), Braxton Foushee, Alan Rimer, Amy Witsil, Gordon Merklein (ex-officio)
Other Board Members:	Joy Preslar, William Stott
Staff:	Stuart Carson, Mason Crum, Pat Davis, John Greene, Ed Holland, Ed Kerwin, Heidi Lamay, Kevin Ray, Stephen Winters
Public:	OWASA Customer: Will Towne

Quarterly Financial Report

Staff presented a summary of the Financial Report for the Six Month Period Ended December 31, 2010. Net Revenue less Debt Service for the quarter exceeded budget by approximately $3.4 million or 86%. Currently, staff forecasts that at the end of the fiscal year, Net Revenue less Debt Service will be approximately $3.5 million or 50% over budget.

Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2010

The committee discussed comments and questions it had about the CAFR for FY 2010. Staff emphasized the progress it is making towards implementing business intelligence reporting to provide decision-support to managers throughout the organization.

Capital Improvements Program (CIP) Budget Planning

The committee discussed several issues related to the CIP Budget including the escalation rate used to plan for future increases in construction costs, use of a recapitalization rate for estimating future CIP expenditures, project contingency allowances, etc. The discussion centered around how to minimize the CIP Budget's effect on water and sewer rates.

Disposition of Surplus Real Property

OWASA has declared two parcels of its real estate holdings as surplus and offered them for sale. The committee discussed options for using the proceeds from a potential sale to minimize future rate increases.

Next Meeting

The next Finance Committee meeting is scheduled for February 24, 2011 at 5:00P.M. in the first floor conference room at Chapel Hill Town Hall. Tentative agenda items include discussions about OWASA's Budget and potential rate adjustments for FY 2012.

Prepared by:



Stephen Winters, CPA
Director of Finance & Customer Service

c: OWASA Board of Directors