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
February 24, 2011, 5:00 - 6:30 P.M., OWASA Board Room

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

Discussion regarding the Budget for Fiscal Year 2012

Staff presented a first draft of OWASA's budget for Fiscal Year (FY) 2012 and alternatives for a corresponding rate adjustment.

The FY 2012 budgets for Operations and Maintenance and the Capital Improvements Program are in line with projections made a year ago. However, year-to-date water sales for FY 2011 have exceeded projections and indications are that water sales for FY 2012 will also exceed original projections. Based on the information available at this time, staff and members of the Finance Committee believe that any adjustment to the rates OWASA charges its customers will be much smaller than the 8.75% increase that was projected for the FY 2012 budget.

Next Steps

Staff will conduct additional sensitivity analyses to test how financial projections could be impacted under different scenarios and will provide an update to the Finance Committee and the Board of Directors on March 24. The Board will not approve the FY 2012 budget or make a final determination about a rate adjustment until after public hearings are held in June.

Next Meeting

The next Finance Committee meeting is scheduled for March 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 (including updates to its Capital Improvements Program budget) and a potential rate adjustment for FY 2012.

Prepared by:

Stephen Winters, CPA
Director of Finance & Customer Service

c: OWASA Board of Directors