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
October 27, 2011, 5:30 - 6:45 P.M., Chapel Hill Town Hall

Committee Members: Amy Witsil (Chair), Alan Rimer, John Young , Gordon Merklein (ex-officio)

Other Board Members: Fred Battle, Terri Buckner, Will Raymond, Dana Stidham, William Stott

Staff: Mason Crum, Pat Davis, Stephanie Glasgow, John Greene, Ed Kerwin, Heidi Lamay, Kevin Ray, Stephen Winters

Public: Mac Clarke

The meeting's agenda included three topics:

- OWASA's financial report for the three month period ended September 30, 2011
- Plans for a rate study to be conducted in Fiscal Year (FY) 2012
- Process for updating OWASA's strategic plan

Financial Report

Staff presented the financial report for the three month period ended September 30, 2011. Net Revenue less Debt Service for the period exceeded budget by about 30%. However, this is not a trend that is expected to continue throughout the rest of the fiscal year and staff does not believe changes to the balance of the year forecast are warranted at this time.

Rate study plans

The FY 2012 budget includes funds to conduct a rate study. The study has two purposes: 1) to make sure our approach continues to provide revenue sufficient for operating and maintaining the community's water and wastewater system, and 2) to analyze our rate structure to ensure that it continues to support our conservation goals and cost-of-service principles. We also plan to review the structure of our drought surcharges. Work will begin in December of this year and aspects and results of the study will be discussed at Committee and Board meetings throughout OWASA's FY 2013 budget development process.

Process for updating the strategic plan

OWASA's current strategic plan was adopted in March 2010. The Committee endorsed a proposal made by staff to update the strategic plan every two years with status reports provided to the Board annually. Updating the plan will take place in the October to December time-frame so that its components can inform development of the organization's budget. The next status report will be provided to the Board in January 2012. The next update to the strategic plan will begin in October 2012 and will be finalized by January 2013.

Stephen Winters, CPA
Director of Finance & Customer Service

c: OWASA Board of Directors