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
March 20, 2012, 5:30 - 7:00 P.M., Chapel Hill Town Hall

Committee Members: Amy Witsil (Chair), John Young

Other Board Members: Will Raymond

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

Public: None

The meeting's agenda included three topics:

- Review and discuss information related to the Fiscal Year (FY) 2013 Budgets for Operations and Maintenance (O&M) and the Capital Improvements Program (CIP)
- Review and discuss potential water and sewer rate adjustment scenarios
- Discuss approval of a Contract to Audit Accounts for the Orange Water and Sewer Authority for the Year Ended June 30, 2012

FY 2013 Budget

Staff presented a draft of the FY 2013 Budget. The budget was developed based on identified needs and includes assumptions about operating revenue, customer water demand, cost estimates, etc. It also assumes normal operating conditions (average number of water and sewer line breaks, typical maintenance and repair needs).

The amounts in the FY 2013 Budget for revenue, O&M and CIP are very close to what was projected for FY 2013 during last year's budget cycle. The new budget satisfies all but one of our financial measurement goals. Our "affordability" measurement is 1.9 which exceeds our goal of 1.5.

Rate Adjustment

Based on the draft budget and OWASA's financial condition, staff recommends no increase in rates for monthly water and sewer services.

Audit Contract

Staff presented a contract for the audit of OWASA's financial statements for the year ended June 30, 2012 from the auditing firm, Martin Starnes & Associates for an amount not to exceed $30,000; consistent with the renewal option quoted in the firm's proposal last year.

The Finance Committee and staff recommend that the Board of Directors approve the contract.

Next Steps regarding the FY 2013 Budget and Rate Adjustment

The information discussed at the Finance Committee meeting will be presented to the Board of Directors at its meeting on March 22, 2012. Public Hearings are tentatively scheduled for May 24, 2012 and the Board is expected to adopt the FY 2013 Budget and Schedule of Rates and Fees at its meeting on June 14, 2012.



Stephen Winters, CPA
Director of Finance & Customer Service

c: OWASA Board of Directors