# 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**
**December 12, 2013, 5:30 - 7:00 PM, in the OWASA Boardroom**

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| **Committee Members:** | John Young (Chair), Terri Buckner, Michael Hughes, Heather Payne, Amy Witsil, Alan Rimer (ex-officio) |
| **Other Board Members:** | Steve Dear, Will Raymond |
| **Staff:** | Mary Darr, Pat Davis, Ed Kerwin, Kevin Ray, Kelly Satterfield, Todd Taylor, Stephen Winters |
| **Public:** | None |

The Finance Committee met on Thursday, December 12, 2013 for the purpose of reviewing and discussing OWASA's policies related to financial reserves and the funding status of our reserves.

The purpose of maintaining reserves is to provide operational and financial stability; the amount to maintain in reserves is based on risk and consequences. The Committee's goal is to verify whether the amount of reserves funding stipulated in OWASA's financial management policy is appropriate to sustain the organization financially.

To facilitate the process, staff presented several potential financial scenarios and the impact these scenarios could have on OWASA's reserves funding and financial condition. The Committee asked staff to analyze two additional scenarios that will be presented at a future Committee meeting as the discussion on reserves continues.

The Committee also discussed plans for the reserve balances that currently exceed the minimum targets set-forth in our financial management policy. Staff explained that these funds are projected to be used to fund a portion of future capital improvement projects. By the end of Fiscal Year 2016, it is projected that our reserve balances will be equal to our minimum targets.

Staff will provide recommendations at a future Committee meeting for possible changes, simplifications, or clarifications of the reserves categories.

**Next Meeting**

The next Finance Committee meeting will be held on Thursday, January 23, 2014 in the OWASA Boardroom, at 5:30 PM.

Stephen Winters, CPA
Director of Finance & Customer Service