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 24, 2013, 5:00 - 6:50 PM, in the First Floor Conference Room adjacent to the Council Chambers at the Chapel Hill Town Hall

Committee Members:	John Young (Chair), Terri Buckner, Gordon Merklein, Will Raymond, Amy Witsil, Alan Rimer (ex-officio)
Other Board Members:	Michael Hughes, Stephen Dear
Staff:	Stuart Carson, Mason Crum, Pat Davis, Stephanie Glasgow, John Greene, Ed Kerwin, Heidi Lamay, Dan Przybyl, Kevin Ray, Kelly Satterfield, Stephen Winters
Public:	None

The purpose of the meeting was to discuss the following:

- Financial Report for the six month period ended December 31, 2012
- Drafts of the Summary of Strategic Issues, Planning Assumptions, and Background Information; and Fiscal Year 2014 Budget Calendar
- Format and content of the Capital Improvements Program semi-annual report

Financial Report for the six month period ended December 31, 2012

Staff presented the financial report for the six month period ended December 31, 2012. All of the organization's financial goals were met or exceeded except service affordability; based on an average monthly water volume use of 4,250 gallons, OWASA's ratio is 1.68% versus the goal of 1.5%. Operating revenue was slightly higher than expected and operating expenses were about 8% under budget. However, OWASA is forecasting to finish the year with net income close to the amount in the annual budget.

Drafts of the Summary of Strategic Issues, Planning Assumptions, and Background Information; and Fiscal Year 2014 Budget Calendar

As part of the annual budget process, OWASA's *Financial Management Policy* requires a review of the budget calendar, strategic issues, policies, and assumptions that are expected to impact rates and the preparation of the budget. These budget planning documents are intended to guide the preparation of the annual budget and inform the organization's long-term comprehensive financial planning. The committee provided input to staff.

Format and content of the Capital Improvements Program semi-annual report

Twice each year, staff provides a report to the Board of Directors that summarizes active or recently completed capital improvements projects. The Board asked the Finance Committee to work with staff to determine whether the format and content of the report should be modified to be more useful to the Board.

Staff presented concepts of several different alternative formats and after discussion, the committee

decided it prefers a summary report that indicates how each project is performing relative to its expected duration and budget (using a color-coded "stoplight" chart format). Detailed narratives will be included for any project that is significantly delayed, significantly over or under budget, or for projects that are of significant interest to the Board.

Next Meeting

The Finance Committee will next meet on February 26, 2013 at 5:00 PM. The purpose of the meeting will be to finalize the committee's rate design recommendation to the OWASA's Board of Directors.



Stephen Winters, CPA
Director of Finance & Customer Service