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
November 14, 2013, 5:30 - 7:00 PM, in the OWASA Boardroom

Committee Members:	John Young (Chair), Terri Buckner, Michael Hughes, Amy Witsil, Alan Rimer (ex-officio)
Other Board Members:	None
Staff:	Stuart Carson, Mary Darr, Ed Kerwin, Ruth Rouse, Kelly Satterfield, Todd Taylor, Stephen Winters
Public:	Mac Clarke

The Finance Committee met on Thursday, November 14, 2013. The agenda included the following:

- Discuss staff's process for developing the annual Capital Improvements Program (CIP) budget
- Discuss the Committee's request for an explanation of cost of service allocations for customer classes

Discuss staff's process for developing the annual Capital Improvements Program (CIP) budget

Staff made a presentation to the Committee describing the process for identifying and prioritizing CIP projects for inclusion in OWASA's budget. Staff uses a risk-based approach to prioritize projects according to analyses of condition and criticality. To support this approach, we rely on tools and processes including:

- Water main hydraulic modeling
- Water main condition modeling
- Distribution system hydraulic modeling
- Sanitary sewer service area studies
- Visual inspections of sewer lines through video camera recordings
- Knowledge gained from OWASA maintenance staff's experience throughout the system

Additionally, OWASA's comprehensive asset management program will inform the Fiscal Year (FY) 2015 CIP budget for the organization's capital improvement needs relating to above ground assets. For the FY 2016 budget, staff plans to utilize the comprehensive asset management program approach in developing the CIP budget for all assets.

In order to determine how best to provide policy-level input into the process of developing the CIP budget, the Committee asked staff for the following:

- A risk matrix populated with CIP projects
- An explanation of the guidelines staff uses to determine which projects to include in the annual and five-year CIP budgets
- An analysis of which projects in the five-year CIP budget are considered less urgent or discretionary from a timing standpoint

Discuss the Committee's request for an explanation of cost of service allocations for customer classes

At its meeting on October 10, 2013, the Committee asked staff to make a presentation explaining how costs are allocated across OWASA's customer classes. The Committee provided input and staff will follow-up with other Board members for further guidance.

Next Meeting

The next Finance Committee meeting will be held on Thursday, December 12, 2013 in the OWASA Boardroom, at 5:30 PM.

Stephen Winters, CPA
Director of Finance & Customer Service