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 11, 2014, 4:00 – 5:40 PM, in the
OWASA Boardroom

Committee Members:	Heather Payne (Chair), Quinton Harper, Dave Moreau, Amy Witsil, John Young (ex-officio)
Other Board Members:	Steve Dear, Michael Hughes
Staff:	Mary Darr, Pat Davis, Ed Kerwin, Kevin Ray, Kelly Satterfield, Todd Taylor, Stephen Winters
Public:	None

The Finance Committee met on Thursday, December 11, 2014. The agenda included discussions of the following:

- The process for issuing a Request for Proposals for audit services
- OWASA's policy regarding financial reserves

Audit Services Request for Proposals Process

The Committee endorsed a process in which a Request for Proposals for audit services will be issued and advertised through a variety of publications and websites throughout North Carolina. Respondents will be asked to submit proposals in two separate packages: one to include qualifications and one to include fee information. Staff will evaluate responses and select finalists to be interviewed by a panel that will include OWASA staff and the Chair of the Finance Committee. The panel plans to make a recommendation to the Board of Directors upon completion of the process.

Financial Reserves Policy

Staff explained the purpose, funding goal, and current status of each of OWASA's three reserve funds. In general, the Committee supports the rationale for maintaining the three funds but wants to ensure that the amount reserved is sufficient, and reasonable, to support financial sustainability.

Staff presented information about potential occurrences that could result in lower cash inflows or greater cash outflows in a given fiscal year or years. The Committee discussed these and other scenarios and whether our reserve policy provides the funds necessary for dealing with the events without abrupt and substantial rate increases or unreasonable reductions in OWASA's level of service.

Several Committee members indicated that they are comfortable with reserves as currently stipulated in OWASA's Financial Management Policy. However, some members favor considering reducing the minimum reserve target amounts. The Committee voted to continue with the level of reserve minimums identified in the current Financial Management Policy at least until Fiscal Year 2016 budget deliberations.

Next Meeting

The next Finance Committee meeting is scheduled to occur in February 2015. The subject will be Fiscal Year 2016 budget and rates.



Stephen Winters, CPA
Director of Finance & Customer Service