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 5, 2018, 5:00 – 6:15 PM, in the
OWASA Boardroom

Committee Members:	Ray DuBose (Chair), Robert Morgan, John Young, Yinka Ayankoya (ex-officio)
Other Board Members:	Bruce Boehm, Jody Eimers, John Morris
Staff:	Mary Darr, Ed Kerwin, Kelly Satterfield, Todd Taylor, Stephen Winters
Public:	None

The Finance Committee met on Wednesday, December 5, 2018 to:

- Review financial analyses related to its October 8, 2018 discussion of longer-term approaches and strategies for managing operating expenses.
- Review a draft of the Fiscal Year (FY) 2020 budget calendar and planning assumptions.

Review Financial Analyses

Information provided by staff highlighted the operating expense categories that make-up most of OWASA's total annual operating expenses and identified the primary drivers that determine the amount of the expenses. Based on a review and discussion of this analysis, and the organization's desire to focus on system resiliency, the Committee chose not to undertake a project or projects to identify and implement new innovative approaches to operating the utility. However, we will continue our practice of looking for ways to optimize operations, manage costs, and watch for innovations (e.g., advanced metering infrastructure).

FY 2020 Budget Calendar and Planning Assumptions

The FY 2020 budget calendar and planning assumptions will be discussed at the Board of Directors' meeting on January 24, 2019. After review and discussion, the Committee asked staff to include the draft budget calendar and planning assumptions as well as the rest of the December 5th Finance Committee meeting agenda material in the Board's packet for January 24.

Additional Questions and Request by the Committee

The Committee asked staff to follow-up on the following:

- Explain why Dues and Membership expense rose from about $38,000 in FY 2017 to almost $136,000 in FY 2018. Staff provided this information in an email sent on December 11, 2018.
- Contact UNC's School of Government (and others) to see if relevant benchmarking information is available, including:

    - Employee compensation
    - Health insurance costs
    - Operating costs per number of gallons treated
    - Measure expenses by department and/or activity
- Ensure we track expenses and savings from key initiatives (energy management, advanced metering infrastructure, etc.)

The Committee also discussed holding meetings, as necessary, during the development of the FY 2020 budget.



Stephen Winters, CPA
Director of Finance & Customer Service