



Orange Water and Sewer Authority

A public, non-profit agency providing water, sewer and reclaimed water services to the Carrboro-Chapel Hill community.

Summary of the OWASA Board of Directors' Meeting on April 22, 2010

Please note: The summary below was prepared by OWASA staff and is not approved by the OWASA Board. Audio recordings of the OWASA Board's meetings and the Board's official minutes, when adopted, are available to citizens for review. Videotapes of OWASA Board meetings in the Chapel Hill Town Hall on the fourth Thursdays of the month are also available.

The OWASA Board of Directors:

- **Scheduled public hearings on the proposed operating budget, capital program and rates for the fiscal year that will begin in July, 2010.**

A 9.25% increase in monthly rates is proposed to go into effect on October 1, 2010. For a typical residential customer using 5,000 gallons per month, the present monthly bill of \$74.92 would increase about \$7.

Primary reasons for the rate increase are the continuing decline in water sales and substantial declines in revenue from new customer connections.

- **Adopted a non-binding "preliminary" budget for FY 2011 which includes:**
 - ✓ 129 positions, a 14% reduction from OWASA's past authorization of 150 positions.
 - ✓ \$18.6 million for operations and maintenance, an increase of about \$250,000 or 1.3% over this year's budget. Cost factors in the operating budget include a 15% increase in health insurance costs and a reduction in market prices for chemicals used at our treatment plants.
 - ✓ \$9.8 million for capital improvements, including \$2 million in projects to be carried over to the new budget year.
 - ✓ \$9.7 million in debt payments.
 - ✓ Increasing the revenue stabilization reserve fund by \$250,000 and the capital reserve fund by \$400,000 (the same reserve additions as in the current FY 2010 budget).
- **Received a quarterly financial report for July, 2009 through March, 2010.** Operating costs are about \$1.4 million below budget primarily due to reduced chemical prices and careful spending, and debt payment costs are about \$500,000 less than budget due to low interest rates on variable rate bonds issued by OWASA.

For more information, please see the agenda materials on our website, www.owasa.org. The next scheduled business meeting of the OWASA Board will be on Thursday, May 13th at 7 PM in the Community Room in the OWASA Administration Building, 400 Jones Ferry Road, Carrboro.