



CMUD ADVISORY COMMITTEE

FY12 ANNUAL REPORT

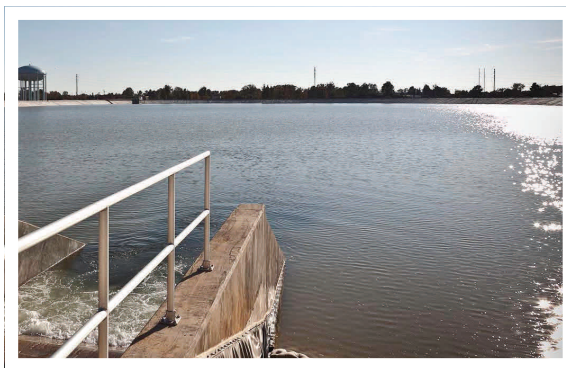
This document describes the work of the CMUD Advisory Committee during the fiscal year ending June 30, 2012, as well as information about CMUD's operating successes and challenges.

The seven-member CMUD Advisory Committee operates under a City-County agreement, with designated roles and duties that include:

- Reviewing & making recommendations to Charlotte City Council regarding annual water & sewer capital improvement programs, proposed changes in water and sewer rate and fee methodologies and proposed changes in the policy for water and sewer extensions.
- Reviewing & making recommendations to City Council through the City Manager regarding requests for: one or more specific water & sewer system extensions that have not been approved within a reasonable time by the Director; and proposed changes to specifications for installing water & sewer facilities that have not been approved by the Director.
- Sitting with City Council in public hearings on any matter required.
- Presenting an annual report on the operations of CMUD and on the activities of the Advisory Committee to Charlotte City Council and the Mecklenburg County Board of Commissioners.
- Reviewing and reporting on matters related to water and sewer service as requested by the Director, City Council or County Commissioners.



CMUD has received an EPA Region IV Safe Drinking Water Act Excellence Award for consistently exceptional water quality compliance & operations.



Water treatment plant storage capacity increased with completion of the reservoirs upgrade in early 2012.

YOUR WATER SYSTEM

Charlotte-Mecklenburg's public water and sewer system is funded entirely by customers, not tax revenues. The system includes two drinking water intakes from impounded lakes on the Catawba River (Lake Norman and Mountain Island Lake), three water treatment plants, five wastewater treatment plants, 79 sewage lift stations and a combined total of 8,386 miles of water distribution and wastewater collection pipe. A staff of 746 water professionals operates and maintains the system, and provides customer service to roughly 250,000 metered water accounts (788,000 customers). During the fiscal year ending June 30, 2012, CMUD safely treated and delivered more than 36 billion

gallons of drinking water to customers throughout the county. Staff also collected, treated and returned more than 29 billion gallons of wastewater effluent back into our local waterways.



ADVISORY COMMITTEE ACTIVITIES DURING FY12

The Committee met eight times during FY12. Its activities included:

Late Summer/Fall 2011

- ◆ Reports on implementation of the **new water and sewer rate structure** that took effect 7/1/11, including new availability fees to help stabilize utility revenues & repay construction debt.
- ◆ Discussion of ongoing **customer service improvements**, including the 311 Escalation Team, improved pre- and post-billing business processes and the contracted use of a third party leak detection company to help resolve disputed bills.
- ◆ **New meter technology pilot** program updates.
- ◆ Discussion with staff on ways CMUD is addressing **billing delinquency**, and researching the concept of a **private plumbing insurance program**.
- ◆ Updates on a **debt refinancing** in August 2011 that will save rate payers about \$23 million over 16 years.



High bill investigations declined this year, thanks in part to more pre-billing quality control and improved communication.

Even in the tough economic climate, CMUD maintains competitive rates and earned AAA status last summer from all three bond rating agencies.

- ◆ Planning and regulatory updates relative to the future **Long Creek Wastewater Plant** project.
- ◆ Ongoing staff updates about the rebuilding of service levels (i.e. faster leak repairs and preventative system maintenance,) through

expedited **filling of previously unfunded or frozen vacant positions.**

Winter 2011-2012

- ◆ Frequent utility **revenue updates**, and overviews of **water & wastewater improvement projects** in the CMUD FY12-16 Capital Improvements Program including the Irwin Creek WWTP upgrade, the Long Creek plant and Briar Creek sewer line phase 2. CMUD's FY13-17 capital project planning process intentionally started later this year to more strategically align the water/sewer CIP with the City's 5-year CIP proposal for the coming budget season.
- ◆ Reports and feedback on a four-month strategy and **program to replace 68,000 water meter transmitters** (at manufacturer expense) as a precaution after CMUD's new quality control efforts identified parts within some transmitter models that are prone to failure. Project completed successfully in April 2012 with minimal customer impacts.



Spring 2012

- ◆ Review & support for the Director's **FY2013 CMUD budget/rate recommendation** to City Manager & Council.
- ◆ Updates on the new customer rate incentive to install Smart Irrigation technology, which takes effect 7/1/12.
- ◆ Continued customer service, operating and financial/budget updates.



CMUD's YEAR IN PICTURES

Technology continues to bring transformational changes to utility operations and the way we do business. Endpoint Link Pro and Services Suite 8 were key parts of the ongoing 40-point plan to improve billing and customer service processes. The completion of the GIS Foundation Project and new Work & Asset Management (WAM) program now allows real-time online access to more integrated system and work order information as staff plans and performs line repairs and other maintenance tasks.



Outstanding Performer
Gina Kimble was selected as both CMUD Director's Award honoree & N.C. Water Operators Association Laboratory Analyst of the Year during 2011.



A shift from high growth focus to emphasis on system maintenance continued. CMUD faced a series of water main breaks along a stretch of 24-inch water pipe in south Charlotte, causing significant traffic problems and repair expense. After hydraulic studies deemed most of the 1970's-era pipeline no longer essential to the distribution system (thanks to infrastructure improvements of the past decade), most sections of line were retired from service over the winter.



A renewed commitment to safety and risk management continued. CMUD staff racked up 2 dozen N.C. Dept. of Labor Safety Awards in May 2012.



Growth has not stopped; *CMUD added thousands of new accounts via annexation and saw an uptick in new service connection requests.*



MORE ABOUT THE CMUD ADVISORY COMMITTEE

The Advisory Committee typically meets the third Thursday afternoon each month at the CMUD Environmental Services Facility, 4222 Westmont Drive in Charlotte. The group’s annual meeting schedule is posted at www.cmutilities.com.

Committee members are appointed to 3-year terms, and may be appointed for up to two full terms (plus filling an unexpired term).

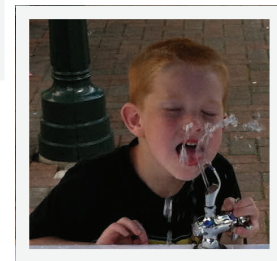
Three appointments are made by the Mecklenburg County Board of Commissioners, three by Charlotte City Council and one by the Mayor of Charlotte.

Except for a towns representative, advisory committee members must be actively involved in one of these categories:

- real estate developer
- neighborhood leader
- water and/or sewer contractor
- civil engineer specializing in water/ sewer construction; and
- financial expert.



CMUD ‘test-drove’ a new mobile water dispenser during the uptown Speed Street festival in May 2012, giving a boost to the utility’s ongoing community outreach efforts.



This composition of member representation and skill sets was suggested by a 13-member citizen committee that reviewed CMUD policies from April to November 1990. At that time, the citizen committee recommended the five-member *Community Facilities Committee* be transitioned to a seven-member *Utilities Advisory Committee* with these characteristics and qualifications. The change took effect in June 1991.

CURRENT MEMBERSHIP

Member Name	Appointed By	Representative Role	Term Expires
Ralph Messera	City	Towns	6/30/15
George Beckwith	City	Financial	6/30/12
Ron Charbonneau	County	Neighborhood Leader	6/30/13
James Merrifield	County	Developer	6/30/15
Frank McMahan	County	Engineer	6/30/14
James Duke	Charlotte Mayor	Neighborhood Leader	6/30/13
Marco Varela	City	Water-Sewer Contractor	6/30/14