

**CHARLOTTE-MECKLENBURG UTILITIES
ADVISORY COMMITTEE
MINUTES OF MEETING
June 21, 2012**

The Charlotte-Mecklenburg Utilities Advisory Committee met Thursday, June 21, 2012, 3:30 pm at 4222 Westmont Drive, Charlotte, North Carolina.

Members Present: George Beckwith, Jim Duke, Frank McMahan, Ralph Messera, Ron Charbonneau, Jim Merrifield (present 35 minutes)

Members Absent: Marco Varela

Staff Present:	Barry Gullet	Director
	Kim Eagle	Deputy Director
	Barry Shearin	Chief Engineer
	Regina Cousar	Continuous Improvement Officer
	Mickey Hicks	Business Manager
	Steve Miller	Customer Service Division Manager

Safety Minute

The importance of clothing and hydration to avoid heat stress was discussed.

Minutes

Jim Merrifield wanted sentence added regarding the long term planning discussion with the financial consultants for Advisory. A motion was made by Jim Duke, and seconded by Frank McMahan, to approve the May 2012 minutes, with the aforementioned changes.

Resolution

A motion was made by Frank Messera, and seconded unanimously, to resolve George Beckwith's long-standing duty with Advisory. Mr. Beckwith has been on the committee since October 2005 and has fulfilled an unexpired term and two consecutive terms.

Budget Update

The City of Charlotte City Council did not approve the FY13 budget as written at its June 11th meeting because of issues with the General Fund CIP. The Budget Committee could not come up with a resolution to those issues, so an interim budget was prepared. If Council cannot agree upon a budget at its next meeting on Monday, June 25th, they will vote on the interim budget, which will cover July 1st – 23rd. State law requires budget adoption by June 30th. If the interim budget is adopted, the City will lose \$1.6 million in revenue. All current operating obligations will be honored, including CMUD's debt service payment due in July.

Currently, Utilities' water revenues are \$909,000 below expectations and sewer revenues are \$4.398M above expectations. Capacity and connection fees have totaled \$10M to date. Utilities has averaged 50 vacancies throughout the year, which has led to some salary savings. One of the City's financial consultants would like our debt coverage to be 2.0 versus the 1.8 it is at currently.

Projects Update

Customer Service Web Portal

The goal of this project is seamless customer service. By using the web portal, customers will be able to view and pay their current bills online, as well as view historical billing and usage data. Currently, 311 takes approximately 40,000 CMUD phone calls per month; 22,000 of those phone calls are account inquiries. With the use of the web portal, customers will be able to access information whenever they need it and will not have to use 311 for account information.

McAlpine Creek Relief Sewer

This is a four phase project which will replace a sewer line from Pineville to Mint Hill along McAlpine Creek. The contract for Phase 1 of the project has been signed. This is the last project associated with Utilities' EPA Administrative Order on Consent. We will be submitting the final report within the next month and asking that the Order be closed out.

Reclaimed Water

CMUD staff have been working with UNCC staff to build a partnership to build a pipeline that would transport reclaimed water from Mallard Creek WWTP to the UNCC campus. Currently, both parties are working on feasibility and planning studies. Staff is looking at a take or pay type contract where UNCC would pay 75% of the commercial rate for the reclaimed water. Traditions Golf Course has been receiving reclaimed water for approximately 10 years. The advantages associated with this project include: debt service guarantee, management of current IBT, and decrease of capacity needs at Mallard Creek WWTP which reduces the need for expansion at that plant.

McAlpine CHP(Combined Heat and Power)

McAlpine Creek WWTP produces methane gas each month, which they are currently burning off. CMUD staff is looking to have a firm sign a design/build/finance/operate type of contract. The firm would then negotiate with Duke Energy directly for renewable energy credits and reducing operating costs. McAlpine Creek WWTP currently has a \$3M annual Duke Energy bill. Charlotte-Douglas currently has solar panels and are running a similar program.

Service Suite 8 (SS8)

The expansion of Service Suite 8 went live two weeks ago and has had great success. The software is helping to cross-train a larger portion of Utilities' field staff.

Miscellaneous

Budget Request

Mr. Duke requested the CoC budget prior to the meeting. Barry Gullet informed him that it is not available yet due to the software change that was made. The CIP book has not been published at this point.

Envision Charlotte

Envision Charlotte is a private-company venture to help people recognize how much energy and water is being used in Charlotte's central business district on a real-time basis. The project includes setting up energy pillars and water pillars in order to make people more aware of use and help conservation efforts. The energy pillars are up and running currently. The water pillars are more difficult to set up because buildings do not usually have separate dedicated large water meters, (they have separate electric meters in line for this project), and so we will need to upgrade existing transmitters and meters in their

current footprint for use with this project. Itron, Verizon, Siemens and CH2M Hill are all supporters of the project.

Metering Strategy

A Request for Information was issued in May 2012 for Utilities' metering strategy and will close out at the end of June 2012. The request asked for live demonstrations of the equipment proposed. RFI responses have been received from Neptune, Aclara, Sensus, Itron, Badger and Mueller to date. Current contracts end December 2013.

Water & Sewer Extension Policy

CMUD would like feedback from Advisory regarding whether or not a change to the extension policy is needed or wanted. Changes to the policy would require a joint public hearing of the Advisory Committee and City Council. In 1972, the customer would pay ½ of the cost of installing the line(s). In the early 1990s, the policy was changed where CMUD would extend the line 1000 feet for residential customers at no cost. The capacity and connection fees were implemented at the same time. Should CMUD extend the policy to customers other than residential? George Beckwith stated we should have all customers get rid of septic tanks and wells.

Street Main Program

Sewer lines follow creeks to outfall. Low pressure systems are allowed in the Street Main Program.

Adjourned at 4:45 pm
Karen L. Baldwin