

**CHARLOTTE-MECKLENBURG UTILITIES  
ADVISORY COMMITTEE  
MINUTES OF MEETING  
November 21, 2013**

The Charlotte-Mecklenburg Utilities Advisory Committee met Thursday, November 21, 2013, 2:30 pm at 4222 Westmont Drive, Charlotte, North Carolina.

Members Present: Jim Duke, Ron Charbonneau, Eric Sieckmann, Jim Merrifield, Frank McMahan, Pride Patton

Members Absent: Ralph Messera

|                |                |                                   |
|----------------|----------------|-----------------------------------|
| Staff Present: | Barry Gullet   | Director                          |
|                | Chad Howell    | Business Manager                  |
|                | Steve Miller   | Customer Service Division Manager |
|                | Karen Whichard | Assistant to the Director         |
|                | Regina Cousar  | Continuous Improvement Officer    |
|                | Doug Groce     | IT Division Manager               |
|                | Shawn Downs    | Senior Business System Specialist |
|                | Barry Shearin  | Chief Engineer                    |
|                | Vic Simpson    | Internal Communications Manager   |

Guest(s): Frank Anderson

### **Safety Minute**

Cold stress preventative measures

### **Minutes**

A motion was made by Jim Merrifield, and seconded by Ron Charbonneau, to approve the October 2013 minutes. Motion was approved.

### **Billing Cycle Alignment**

- A consulting team has been working to complete this project, which has been ongoing for several years. The project will be very helpful when it is complete; however, the implementation may cause some unhappy/confused customers for a short duration. There are some implications from the operational and software standpoint during implementation, as well.
- A billing cycle is a grouping of customers whose meters are read and subsequently billed during the same timeframe.
- There are currently 20 different cycles with 400 meter reading routes.
- A cycle can include multiple days of meter reading, but all accounts read are billed together.
- Days of service are the number of days water is used.
- Read to bill time is the time between the day the meter is read and the bill is generated.
- Bill to read time is the time between bill generation and the next meter reading.

- CIS is the billing system currently being used.
- Exceptions occur when a meter reading falls outside preset limits in the system and must be investigated. The investigation confirms the reading is correct based on historical data, but does not have to include a site visit.
- There are typically 275,000 reads each month, with 30,000 exceptions containing either high, low, or zero reads. There is a built in tolerance factor of plus or minus 1.5 x previous usage in the system. Approximately 10,000 exceptions are investigated in the field.
- An alignment bill will be necessary to get the cycles realigned.
- The billing function includes meter readers capturing readings while driving through service area, reviewing and responding to exceptions, and making corrections on and finalizing the billing data. The bills are sent to customers by a third-party contractor.
- The current billing cycles are not grouped geographically; cycles and routes have grown organically over the years.
- The time gap variance between the meter reading and bill creation is 7-33 days.
- The number of accounts in each cycle varies from 5,000-25,000, which affects work load scheduling.
- The proposed alignment include 17 cycles, which balances workload. The proposed billing cycles are based from workload in areas, not just number of accounts in areas, and future growth.
- There are two options for implementation:
  - Option 1 is the rapid approach, which would make the transition of all accounts during 3-4 months
  - Option 2 is the incremental approach, which would make the transition of all accounts during 12-15 months
- As transition occurs with either approach, some customers may receive 1-2 additional bills.
- There is a period of time from the meter read date until the bill date which is float time; the float time will be decreased with the realignment.
- Duke Energy went through a similar process last year, and it's not unusual for the industry.
- Option 1 requires more customers to receive an extra bill(s). CMUD proposes to implement this during a time of the year when customers are using less water.
- Billing tiers will have to be adjusted to reflect the number of days in the billing period.
- CMUD anticipates many customer questions about the billing, so an extensive communication plan is necessary.
- Approximately \$9M in additional revenue from the reduction in the float time between the meter reading and the bill issuance will be recovered in three months with the realignment.
- Option 2 – The same \$9M revenue will be collected over 12-15 months, rather than three months.
- The realignment will have a positive impact for Utilities and for customers who have leaks, etc. which are detected sooner than they would be now.
- The average read to bill date would be 8-10 days after the transition versus 7-33 days currently.
- The due date for bills will stay relatively the same. CMUD anticipates some customers may have trouble paying the extra bill. Fifty-seven percent of customers pay in some electronic form (SpeedPay, bank draft, etc). Communication will be very important to help customers understand the payment process of the extra bill that is received.

- The due date of the bill is 25 days from the bill date. With the transition, two bills could be due within a two week period.
- Any bill over 33 days of service will be normalized.
- The 20 read days per month will remain the same, but overtime will be reduced because work will be more stabilized.
- Incremental approach moves 20-88% of customers during 3-8 month period
- Other options have been discussed including absorption of \$9M, which is not feasible.
- The billing period for the water and sewer bill does not match the stormwater bill, so this will be synced with either transition option.
- CMUD plans to begin implementation in the winter of 2014/2015 so there is about one year available to educate customers on the transition.
- The CMUD Advisory Committee agreed that both options have pros and cons and gave perspectives for staff to consider.

### **Financial Update**

- CMUD is currently about \$3M under budget.

### **Union County**

- CMUD began oversight of Union County's wastewater treatment plants on Monday, November 18. Staff members are currently developing a long-term agreement for operating the plants.

### **Reorganization of Leadership Team**

- Proposition to add a second Deputy Director, who will oversee Engineering and Operations
- This Deputy Director position is not a new one; previous Assistant Director position was changed to Deputy Director.
- Continuous Improvement and HR will remain reporting to the Director.
- Deputy Director position is advertised currently both internally and externally. CMUD hopes to have interviews completed prior to Christmas.

### **Davidson Presentation**

- Barry Gullet will be presenting to Town Boards over the next couple of months to be sure they know who their water/sewer provider is, give an update on topics, and give them the opportunity to ask questions and give feedback.
- The presentation includes an overview of CMUD, CMUD Advisory Committee, Capital Investment Program and the town's ability to have influence in the CIP, the rate structure, and water supply planning.
- So far, the presentations have been very well received.

### **Miscellaneous**

- Jim Duke has been elected to Town Board of Cornelius. He has given up many committee engagements, but will be staying with the CMUD Advisory Committee.

Adjourned at 3:45 pm

Karen L. Baldwin