



CMUD ADVISORY COMMITTEE

FY13 ANNUAL REPORT

This document summarizes the work of the CMUD Advisory Committee and CMUD's operations during the fiscal year ending June 30, 2013.

CMUD ADVISORY COMMITTEE

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 CMUD Director, City Council or County Commissioners.

WATER SYSTEM & SERVICES

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, 75 sewage lift stations and a combined total of 8,368 miles of water distribution and wastewater collection pipe.

A team of 761 water and wastewater professionals operates and maintains the system, and provides customer service to nearly 800,000 citizens via more than 260,000 metered water accounts. During the fiscal year ending June 30, 2013, CMUD safely treated and delivered more than 36 billion gallons of drinking water to customers throughout the county. Staff also collected, processed and returned nearly 29 billion gallons of treated wastewater (effluent) back into our local waterways.





ADVISORY COMMITTEE & CMUD ACTIVITIES

CMUD Advisory Committee met 11 times during FY13. The meeting format was adjusted this year to promote more information-sharing and awareness and understanding of CMUD operations, current topics and evolving or complex issues. In addition to conducting typical monthly or seasonal business, each meeting agenda now features a detailed staff presentation with a specific theme or focus area on the CMUD organization, followed by a Q&A session. As in years past, committee members continued supporting the Director and staff while representing the interests and perspectives of customers. In doing so, CMUD Advisory Committee most certainly shares in CMUD achievements during the year.

FINANCIAL MANAGEMENT

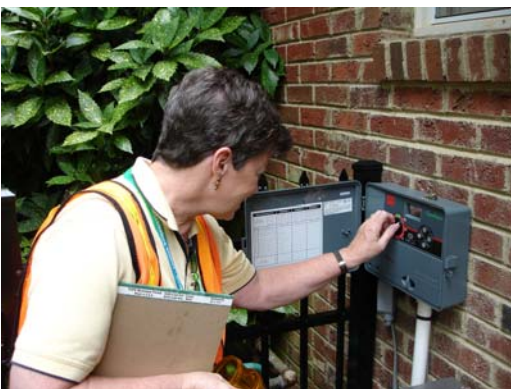
CMUD’s financial management was a frequent monthly topic. Advisory Committee members remain engaged and knowledgeable about CMUD’s **long-term rate and financial planning model**. The need for continued investment in water and sewer infrastructure, and an increase in operating costs for items including fuel, electricity and chemicals, were among drivers identified in CMUD’s FY14 rate increase request. Regular Advisory Committee updates and feedback throughout the year relative to CMUD’s Capital Improvements Plan and operating budget greatly aided staff during its months-long budget preparation. Advisory fully supported a FY14 spending proposal that balances competitive rates and AAA utility bond/credit ratings with continued investment and modest rate increases necessary for a solid, high-performing water and sewer system. City Council quietly approved CMUD’s new rates as part of the City Budget in June 2013.

SERVICE DELIVERY

CMUD’s new **online account services portal** rolled out starting in late summer 2012 and now attracts about 16,000 monthly users. Usage is growing by four percent each month. Customers continue responding well to the additional options available to make payments or access their bill and account information online.



A new **Customer Guide to Understanding Your City-County Water Services** explains both water/ wastewater services and storm water services as they appear together on the City-County Services Bill. This collaborative effort between different City service departments illustrates the community’s three different water systems – water, wastewater and storm water – in a seamless way. Meanwhile, two customer **service work order systems were combined** to deliver added efficiencies and productivity as well as real-time status and information to CMUD business partners such as CharMeck 311. What’s more, each CMUD field technician is now equipped with a laptop and a handheld meter-reading device. These items provide more efficient routing to each service stop and a mechanism to validate each reading. They represent new quality assurance controls that support process uniformity.

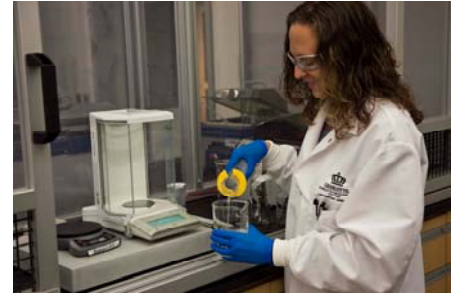


Customers who invest in a separate irrigation meter, a working backflow assembly and an approved, automated irrigation control system can now qualify for a **special irrigation water use rate**. The program helps customers reduce water waste and manage their summertime irrigation bill. On a larger scale, any reduction in excess irrigation demand promotes healthier landscapes and reduces water strain on public infrastructure and natural resources.



CONTINUOUS IMPROVEMENT

CMUD's ongoing commitment to excellence prompted several new achievements this year in different areas. Laboratory Services earned an official thumbs-up from the **National Environmental Laboratory Accreditation Program (NELAP)**. This employee-driven continuous improvement program requires the demonstrated use of approved, performance-based methods to meet a stringent and consistent national standard for laboratories. Meanwhile, CMUD achieved a new milestone on its journey toward full-agency International Standards Organization (ISO) 14001 Environmental Compliance. In April 2013, a third-party auditor unconditionally recommended adding **Sugar Creek Wastewater Treatment Plant** as **CMUD's fourth team to earn ISO 14001 certification**, alongside the Mallard Creek and McDowell Creek Wastewater plants and our Biosolids (solids residuals management) Program. The **Franklin Water Treatment Plant completed Phase III of the Partnership for Safe Water (PSW)** certification program in Spring 2013. PSW is an accreditation program co-established and administered by the U.S. Environmental Protection Agency (EPA) and multiple drinking water professional associations. It is similar to ISO 14001, but tailored for the drinking water industry.



SYSTEM IMPROVEMENTS

Last summer, the City and CMUD successfully completed a five-year **EPA Administrative Order (AO) to reduce sanitary sewer overflows (SSOs)**. Preventing sewer spills has been a high priority for more than a decade, and the AO helped further solidify and guide CMUD's ongoing efforts to address an operational and community problem. We increased preventative line maintenance, capital improvements, public education and other programs and the number of spills per 100 miles of pipe subsequently declined each year, from 10.9 in 2007 to 6.7 spills in fiscal year 2012. The consistent reduction in SSOs over the five-year period represents a 33% decrease. Even so, one spill is too many and CMUD remains committed to preventing SSOs.



Other events and actions during FY13 support the future growth and ongoing maintenance of the water and sewer system. After nearly a decade, state regulators lifted a restriction on the extension of new water lines in the **Goose Creek Basin**— a move that will likely spur development and new requests for CMUD service in a previously unserved section of the Mint Hill area. The City completed purchase of the **Long Creek** property from ReVenture LLC, and reached nutrient allocation agreements with partners on both sides of the Catawba River, laying the groundwork for future construction of a regional wastewater treatment plant in northwestern Mecklenburg County.

A new generator building at Irwin Creek Wastewater Treatment Plant provides more reliable backup power for the entire plant, as part of a \$20 million first phase of renovations to this nearly 90-year-old facility. Construction continues on major **sewer line improvements** along Briar Creek and McAlpine Creek, and a \$25.5 million filter expansion project under way at McAlpine Creek Wastewater Treatment Plant represents one of the City's first design-build contracts. Design-build affords an owner more opportunities to review the design as it progresses, which gives more opportunity for value engineering and flexibility.



Filter expansion at McAlpine WWTP



MORE CMUD ADVISORY COMMITTEE INFO

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 three-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, 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.

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

<u>Member Name</u>	<u>Appointed By</u>	<u>Role</u>	<u>Term Expires</u>
James Duke <i>(Chair)</i>	Charlotte Mayor	Neighborhood Leader	6/30/16
Ron Charbonneau <i>(Vice Chair)</i>	County	Neighborhood Leader	6/30/16
Ralph Messera	City	Towns	6/30/15
Eric Sieckmann	City	Financial	6/30/15
James Merrifield	County	Real Estate Developer	6/30/15
Frank McMahan, P.E.	County	Engineer	6/30/14
Pride Patton, Jr.	City	Neighborhood Leader	6/30/14

For more information about CMUD Advisory Committee, please visit the 'About Us' Section at www.cmutilities.com.



CMUD Director Barry Gullet, at left

FY13 ACHIEVEMENTS

CMUD earned recognition on many fronts this year, including two water industry awards based on the 10 attributes of effective utility management. All eight plants earned operating performance awards. CMUD crews received City Manager’s Awards for *Community Ambassadorship, Innovation and Embracing Change*, and our tap water was voted best in the state!



CMUD played a key supporting role with partners during the 2012 Democratic National Convention to ensure a safe and pleasant experience for visitors and citizens alike. Eight drinking water stations provided heat relief during the uptown event.