

# CMUD ADVISORY COMMITTEE

## FY14 ANNUAL REPORT



*This document summarizes the work of the Charlotte-Mecklenburg Utility Department (CMUD) Advisory Committee and CMUD's operations during the fiscal year ending June 30, 2014.*

### 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, 76 sewage lift stations and a combined total of roughly 8400 miles of water distribution and wastewater collection pipe.

A team of nearly 800 water and wastewater professionals operate and maintain the system while serving roughly 805,000 citizens via more than 262,000 metered service connections.

During the fiscal year ending June 30, 2014, CMUD safely treated and delivered more than 36 billion gallons of drinking water to customers throughout the county. Staff also collected, processed and returned about 29 billion gallons of treated wastewater (effluent) back into our local waterways.





## ADVISORY COMMITTEE & CMUD ACTIVITIES

As advocates for both the customer and utility, CMUD Advisory Committee members continued our commitment to providing input and expanding a shared knowledge and awareness of water/ sewer operations and evolving clean water issues during FY14. The group met 11 times in our pursuit of more upstream and active involvement in utility matters related to finance, operations, customer relationships, system investment & shared water quality/supply.



*CMUD Advisory Committee Chair Jim Duke presented an update to Charlotte City Council in September 2013.*

### BUSINESS

Advisory Committee members remained engaged and informed throughout the year about CMUD's finances and **long-term rate and financial planning model**. Lower water consumption revenues continue presenting challenges yet CMUD met its budget and financial goals. Having received monthly updates and presentations on the operating and capital budget, rate-setting and

plans for a \$180 million revenue bond sale, Advisory voted in March 2014 to recommend a rate increase as part of the City Manager's proposed City budget released two months later. Ultimately, the City Manager proposed

and Charlotte City Council approved a FY15 **CMUD budget** that

includes the lowest average annual residential water/ sewer rate increase since the late 1990s (about 3.1%, or \$1.73 per month). The approved budget allows CMUD to continue increasing fund balance (necessary to retain AAA bond ratings and the lowest available borrowing interest rates), while paying for increased maintenance costs and new capital projects.



*CMUD is moving towards the next generation of business systems integration, including meter technology.*

### A MONTH BY THE NUMBERS

<b>3 Billion</b>	Gallons of drinking water produced
<b>2.3 Billion</b>	Gallons of wastewater treated
<b>\$1.7 Million</b>	Power + Chemical cost
<b>273,000</b>	Meters read
<b>40,000</b>	Water & Sewer calls received by 311
<b>10,350</b>	Water services turned off
<b>450</b>	Water leaks repaired (total)
<b>150</b>	Water leaks repaired within 24 hours
<b>23</b>	Sewer spills stopped and remediated
<b>32 Minutes</b>	Average time to respond to sewer spill

The FY15 CMUD budget also provides for 18 new positions that will lead to enhanced service delivery as the community continues a gradual economic recovery. Specifically, the additional resources will help in areas including faster water leak repairs and processing of new construction plan review & tap requests, which have picked up in a steadily improving construction market.

### OPERATIONS & SERVICE DELIVERY

Advisory Committee stayed informed about a variety of operational response news that included continuity of services during February 2014's biggest snow event in years. The snow occurred as CMUD and partnering agencies were already working around the clock in response to incidents of illegal chemical dumping (PCB, TCB) into the sanitary sewer system. Customers continue responding to recently-added online options to make payments or access billing and account information. Both the number of **online account services portal** users and monthly payments more than doubled during the past year. Established two years ago, the City's customer portal now has nearly 32,000 subscribers; more than \$163,000



*An inter-agency team led by CMUD is enhancing hydrant maintenance work processes.*



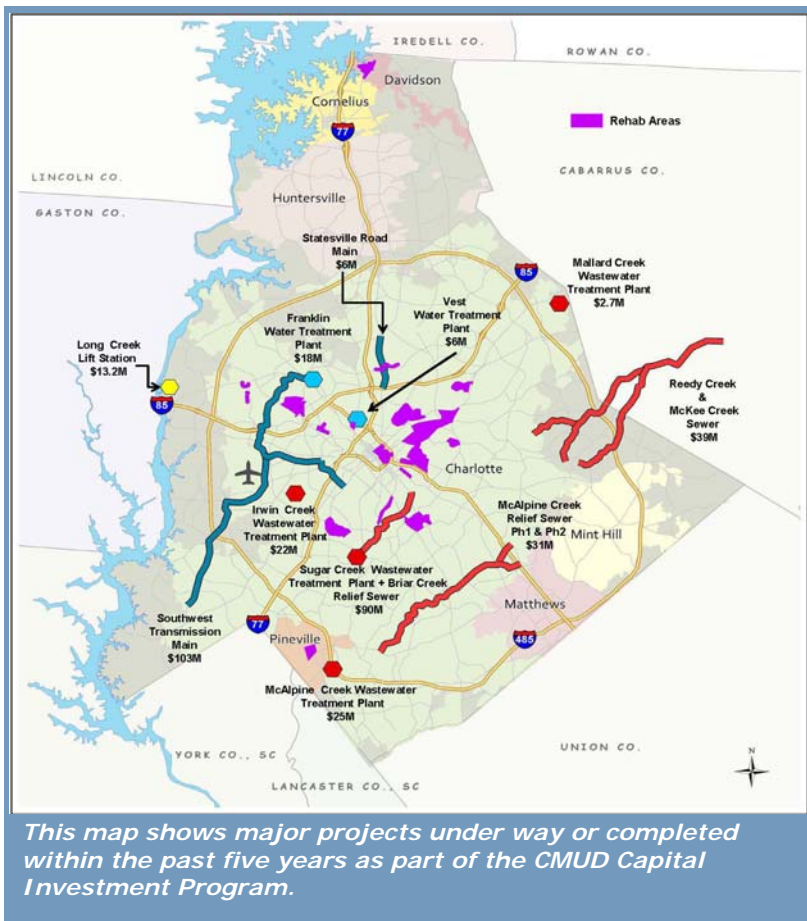
in payments was processed electronically during May 2014 alone. Additionally, Advisory Committee heard reports on and provided input about CMUD's communications research and **rebranding** initiative, and plans to **realign** the system's 20 **billing cycles** and 400 meter reading routes for water/sewer/storm water customers. This latter project is particularly complex and anticipated to occur in FY15. It will lead to more operational efficiencies and better service. CMUD also shared news about a project to research and consider **options** relative to **next-generation water meter technology and business systems integration**.

## CAPITAL INVESTMENT

CMUD continued its mission to protect the environment and public health through **reduced sanitary sewer spills**. CMUD was honored by its industry in November 2013 as the state's large wastewater Collection System of the Year. The ongoing combination of increased preventative line maintenance, capital improvements, public education and other programs supported a downward trend in the number of spills per 100 miles of pipe for an eighth consecutive year. However the volume spilled will be more than double last year's amount due to a handful of large incidents. This is a point staff is addressing.

Other events and actions during FY13 support the future growth and ongoing maintenance of the water and sewer system. More than \$18 million was invested this year to recondition or **replace older drinking water and wastewater collection pipes** as part of an ongoing strategic system rehabilitation program.

Construction continues on two new **major sewer line installations** along Briar Creek and McAlpine Creek, valued at a combined \$70 million. These relief sewers will improve pipe flow capacity and help reduce sewer spills, thus protecting water quality in creeks. Additionally, a \$25.5 million filter expansion project at McAlpine Creek Wastewater Treatment Plant is nearly complete. The filter project is the **City's first design-build contract** and the first such publicly funded water/sewer project in the state.



## REGIONAL APPROACH TO WATER QUALITY & SUPPLY

CMUD and its Advisory Committee take great pride in our community's nationally accredited laboratory and eight award-winning treatment plants. Additionally, we are pleased to report that CMUD and the City entered into the contracted **operation of five Union County wastewater treatment plants**, effective June 1. Union customers, not CMUD customers, continue paying all costs associated with this contract yet the entire region and river basins benefit from the sharing of staff experience and proven, consistent business processes in the area of wastewater treatment. Additionally, Advisory Committee is keeping abreast of other regional opportunities and clean water issues and projects of interest including Duke Energy's **coal ash** disposal plan and the Catawba Wateree Water Management Group **Water Supply Master Plan** to preserve and protect our limited resources for generations to come.



*McDowell Creek Wastewater Treatment Plant Staff*



## 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 meeting schedule is posted at [www.cmutilities.com](http://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>
<b>James Duke</b> <i>(Chair)</i>	Charlotte Mayor	Neighborhood Leader	6/30/16
<b>Eric Sieckmann</b> <i>(Vice Chair)</i>	City	Financial	6/30/15
<b>Ron Charbonneau</b>	County	Neighborhood Leader	6/30/16
<b>Ralph Messera</b>	City	Towns	6/30/15
<b>James Merrifield</b>	County	Real Estate Developer	6/30/15
<b>Frank McMahan, P.E.</b>	County	Engineer	6/30/17
<b>Pride Patton, Jr.</b>	City	Neighborhood Leader	6/30/17

For more information about CMUD Advisory Committee, please visit the 'About Us' Section at [www.cmutilities.com](http://www.cmutilities.com).

## CMUD FY14 HONORS



Just a few of the utility & employee recognitions during FY14 include (from left): CMUD Director Barry Gullet with CMUD's Gold Award for Excellence in Management from the North American Association of Clean Water Agencies; Operations Chief John Huber with the Director's Award from the Partnership for Safe Water; Business Systems Program Manager Shawn Coffman, CMUD's 2013 Director's Award honoree; and CMUD Environmental Management Division Mechanic of the Year Kent Cunningham.