

**CHARLOTTE-MECKLENBURG UTILITIES
ADVISORY COMMITTEE
MINUTES OF MEETING
March 17, 2011**

The Charlotte-Mecklenburg Utilities Advisory Committee met Thursday, March 17, 2011, 3:30 pm at 4222 Westmont Drive, Charlotte, North Carolina.

Members Present: David Jarrett, George Beckwith, Jim Merrifield, Marco Varela

Members Absent: Erica Carter, Ron Charbonneau

Guests: Jennifer Frost

Staff:	Barry Gullet	Director
	Kim Eagle	Deputy Director
	Steve Miller	Customer Service Division Manager
	Regina Cousar	Continuous Improvement Officer

Minutes

A motion was made by Jim Merrifield, and seconded by Marco Varela, to approve the February 2011 minutes.

Introduction

Kim Eagle introduced Jennifer Frost with Solid Waste Services. Kim is mentoring Jennifer through the City's Mentor/Mentee program.

Budget Presentation Review

Barry Gullet presented a PowerPoint on the Charlotte-Mecklenburg Utilities Budget, which he will present to City Council on March 23rd. This presentation focuses on the operating budget. A second presentation will be made to City Council on April 13th which will focus on Utilities' rates for water/sewer service.

Utilities is working to transition itself from a high growth to stable environment. Capital spending drives rate increases; therefore, Utilities will be delaying their bond sale from August 2011 to approximately November 2012. The Capital Improvement Plan (CIP) for FY12-16 has the lowest spending amount since FY04-08 due to delaying projects or portions thereof. The risks associated with delaying projects include exceeding treatment plant capacity and treatment reliability issues.

Utilities has operated with a flat budget since 2008 and is asking for an increase to cover operating expenses including chemicals, power, maintenance/repair, personnel, contractual services, cost allocation and Risk Management. Utilities has been able to operate with a flat budget due to eliminating funding for 97 positions, initiating a hiring freeze and reducing overtime across all divisions. Additional needs that exist which are not included in the increase include fuel cost increases, additional electric rate increases, additional field crews, deferred plant maintenance and large water meter maintenance and testing.

Rate Methodology Implementation

The rate methodology implementation will be completed in two phases with Phase I being completed by July 1, 2011 and Phase II completed by July 1, 2012. Some resources overlap with the rate methodology implementation project and the Customer Service 40 point plan.

Customer Service 40 Point Plan

The 40 point plan is making good progress with many items currently at 100% completed status. The FC300 has been deployed in the field. New door tags and bill inserts have been designed for use with leaks and conservation information. Meter reading improvements have been made, including missed reads reduced from an average 12,000 per month to 5,400 for February. With 4,500 transmitters being changed out each month, the

number of exceptions went from an average of 11,000 to 5,000 in February. The Customer Service Division is also undergoing restructuring to focus on account maintenance, quality assurance and field operations.

Itron/Badger Future Technology

New metering technology options currently available include products from Neptune, Sensus, Itron and Badger. Utilities will have to pilot each product and understand the data very well in order to choose the best fit. The Itron 100W logs data at hourly intervals which helps when speaking with customers regarding leaks or possible culprits of water use during the day. The 100Ws will be piloted in the River Run and Hidden Valley neighborhoods. Leak sensing technology is also currently available. The first generation of meter reading was walk by, the second generation was drive by (AMR – Automated Meter Reading), and the next generation will be a single point read (AMI – Advanced Metering Infrastructure). Chesterfield, SC uses the single point read technology and is able to read 7,000 accounts within two minutes.

Adjourn 5:05 pm
Karen L. Baldwin