

**CHARLOTTE-MECKLENBURG UTILITIES  
ADVISORY COMMITTEE  
MINUTES OF MEETING  
July 21, 2011**

The Charlotte-Mecklenburg Utilities Advisory Committee met Thursday, July 21, 2011, 3:30 pm at 4222 Westmont Drive, Charlotte, North Carolina.

Members Present: George Beckwith, Jim Merrifield, Jim Duke, Ron Charbonneau, Marco Varela, Frank McMahon

Members Absent: David Jarrett

Staff Present:	Barry Gullet	Director
	Kim Eagle	Deputy Director
	Steve Miller	Customer Service Manager
	Mickey Hicks	Business Manager
	Vic Simpson	Communications Manager

**Minutes**

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

**Safety Minute**

The assembly point for emergencies is in the front parking lot by the blue "Assembly Point" sign. It is important for all visitors to sign in at the front desk so the evacuation coordinator can account for all persons in the building in case of an emergency. If there is a tornado, all persons should assemble in the nearest restroom until told otherwise.

**Introduction of New Member**

Barry Gullet introduced Frank McMahon, the newest member appointed by the County. Mr. McMahon replaces Erica Carter, whose term expired. Mr. McMahon is currently an engineer with HNTB in Charlotte.

**CMU Advisory 2011 Report**

The Advisory Committee liked the format of the report; this is the second year with this format. The report will be distributed to City Council, County Commission, surrounding small towns and will be posted on the Utilities website. Jim Merrifield's term expiration will be corrected to June 30, 2012. The committee voted unanimously to accept the report with change mentioned previously.

**Election of Chair/Vice Chair**

The committee elects a new chair and vice chair at the first meeting after the appointment of new members. A motion was made by Marco Varela, and seconded by Jim Merrifield, to nominate George Beckwith for chair. A motion was made by Jim Merrifield, and seconded by George Beckwith, to nominate Marco Varela for vice chair. The committee would like to thank David Jarrett for his longstanding service to the committee.

## **Customer Service Update**

The E Team was created in 311 to deal with escalated Utilities calls. During June, 156 calls were received by the E Team, with 73% having first call resolution. Ninety-eight percent of the calls received needed no further action by the customer.

High bill inspections have dropped by over 50% from last year. High bill inspections before the customer receives the bill have been put in place. Twenty-five percent of the inspections revealed the low flow turning and the other 75% revealed water was used by customer. Customers with low flow are notified via door hanger and phone call. American Leak Detection is being utilized for disputed accounts when no resolution can be made between Utilities and the customer; eight investigations have taken place since March. Each visit by American Leak Detection costs \$400. The 311 E Team will begin administering the leak adjustment policy to have more seamless customer service. Currently, Utilities loses approximately \$100,000 per month due to leak adjustments.

Utilities Customer Service has hired a new Operations Manager, Jon Behrendt. Mr. Behrendt was with American Water in Arizona before coming to Charlotte.

The new rate structure was put in effect July 1, 2011. Some commercial customers have had a negative impact with the availability fee due to their meter size. Customer Service representatives have contacted approximately 300 commercial customers to discuss their meter size and need; 37 customers need follow up work. Customers with compound meters were included in the list of those being contacted.

311 received a handful of customer calls regarding the meter pilot with all positive feedback. The 100W meters were reading with 100% accuracy after codes were fixed in five devices. A challenge area with the meters is having to drive 10 mph to collect hourly data. The Badger Orion pilot will consist of 350 meters being placed in the Faires Farm neighborhood and 350 meters in the Peninsula neighborhood. Engineers will be meeting tomorrow to kickoff the project.

## **Delinquencies/Hardships**

Utilities offers payment arrangements for customers who are not able to pay their bill. Approximately 4,000 payment arrangements are set up per month with a 40% default rate. There is a need to rethink how Utilities deals with customers who cannot afford to make payments and will need help from the Advisory Committee with the process. Utilities has been meeting with Crisis Assistance Ministry on a quarterly basis to discuss a partnership to help customers. Customers who go into delinquency have at least \$25 in past due water charges. When a bill is paid, the money is applied in the following order: fees, stormwater, sewer, water. For the last two years, Utilities has written off \$2 million in bad debt each year. Customer Service is working on an automated process to catch those who turn water on illegally. On average, 2,500 delinquent turn-offs are issued and 350 meters are locked per month; 11 locks are cut off per month. Utilities may recommend fines be issued for meter tampering. Utilities is also looking for other ways to raise money to help those in need, such as a share the wealth program. The private line insurance could help Utilities generate funds. Utilities is also looking at the possibility of collecting a deposit for new customers based on their credit worthiness.

### **Private Line Insurance**

Utilities sent out a Request for Information including company information, services offered, client list, stakeholders and project charter and received four responses. The team responsible for evaluating the information received consists of Steve Miller and Jon Behrendt with Customer Service, Mickey Hicks and Regina Cousar with Administration, and Angela Lee with Field Operations. Steve Miller is planning to present the information to City Council at the October 10<sup>th</sup> dinner meeting.

### **Bond Refinancing**

Utilities signed the bond purchase agreement with Merrill Lynch for \$114 million worth of bonds, which will save Utilities approximately \$23 million in interest over the next 16 years. Utilities received AAA ratings from all three rating agencies again this year. The closing is scheduled for August 3<sup>rd</sup>.

### **Long Creek Project**

Barry Gullet will be presenting the preliminary Memorandum of Agreement with Belmont at the July 25<sup>th</sup> City Council dinner briefing. The need for this project arises from Utilities currently pumping wastewater 27 miles (Northlake to Pineville). Utilities is working with Mount Holly to obtain an MOA. Mount Holly is currently negotiating with Gastonia and may decide to expand their own plant. Utilities is also working to finalize the details of the Clariant site purchase. The state has approved the allocation from Clariant.

### **Rate Methodology - Winter Use Average**

Utilities will postpone the use of winter averages until July 2012. There have been four conference calls with other cities who utilize winter use averages to get educated on their lessons learned. Customers need to be educated on the process before it begins. Utilities is working to define all roles by Christmas in order to move forward. Utilizing an equal payment plan is not an option because it would not be in line with our conservation rates.

### **Miscellaneous**

A motion was made by Jim Merrifield, and seconded by Marco Varela, to cancel the August meeting.