

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

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

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

Staff Present:	Barry Gullet	Director
	Kim Eagle	Deputy Director
	Barry Shearin	Chief Engineer
	Mickey Hicks	Utilities Business Manager
	Regina Cousar	Continuous Improvement Officer
	Steve Miller	Customer Service Division Manager
	Vic Simpson	Internal Communications Manager
	Karen Whichard	Community Relations Manager

Safety Minute

#10 – Bad Habits While Driving

Minutes

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

CMUD Budget & Rates

- The FY2014 operating budget has been submitted to the Budget office.
- Barry is scheduled to make a presentation at the Economic Development Committee meeting on March 7th.
- Revenue status through January 2013
 - Water variable is approximately \$4M under budget
 - Sewer variable is approximately \$2.5M under budget
 - Connection/Capacity fees are \$3.7M over budget
 - Net total of \$2.8M under budget
- Expenditure status through January 2013
 - Approximately \$4M under budget due to salary, chemical and power savings.
- The fund balance as of June 30, 2012 equaled \$149M.
- Revenue requirements for FY14 increased \$8M from FY13. The majority (64%) of the budget pays for capital improvements; the other 36% covers the operating expenses.
- CMUD is proposing service level changes equal to 15 new positions. These positions will have an overall net savings of \$152,697.
- Average Winter Consumption (AWC) Update:
 - Advisory members are welcome to attend the March 7th budget presentation to the Economic Development Committee.

- The AWC method bases sewer billing on the average winter water use at each premise.
- Research shows that there are challenges with the implementation.
- CMUD's rate methodology is revenue neutral, so implementing AWC will:
 - Raise the unit price for sewer since fewer units will be billed
 - Generate more customer calls – more staff will be needed
 - Generate complicating circumstances to deal with on an individual basis
- Staff have identified potential issues and want to review it more before proceeding
- Alternative solutions will be presented to the ED Committee on March 7th
- CMUD could ask City Council to delay implementation again this year
- Staff is currently looking at the idea of subsidizing portion of the cost of a second meter or removing connection fee associated with all residential water meters. The capacity fee would still be collected.
- Debt service has risen over the past few years. CMUD staff anticipate an increase in the availability fees in the near future due to the increasing debt service.
- CMUD will present its budget recommendations at the City Council Budget Retreat on April 10th. A small increase for FY14 will be included in the recommendations.
- Budget adoption by City Council is scheduled for June 10th.

Stormwater Bills

- As a result of an inquiry by an Advisory member, it was found that some residents who live lakeside should not have been paying stormwater fees.
- It appears that some accounts were set up improperly.
- City and County Stormwater staff will be sending a letter to the residents and City and County management explaining the situation and the remediation.
- City and County Stormwater will refund stormwater fees paid.

Future Agenda Items

- Capital Projects Update
- Average Winter Consumption

Adjourned at 3:45 pm
Karen Baldwin