

**CHARLOTTE WATER
ADVISORY COMMITTEE
MINUTES OF MEETING
January 20, 2022**

Charlotte Water Advisory Committee Remote Meeting Conducted via WebEx Events on Thursday, January 20, 2:30 pm. This remote meeting was conducted by WebEx in accordance with statute law

Members Present: Barbara Bleiweis, William Cornett, Cemental Grayson Roundtree

Members Absent: Gordon Miller

Staff Present:	Angela Charles	Director
	Ronald Hargrove	Deputy Director
	Shawn Coffman	Deputy Director
	Jackie Jarrell	Deputy Director
	Keri Cantrell	Chief Utilities Engineer
	Chad Howell	Utilities Manager
	Thomas Powers	Assistant City Attorney Sr
	Karen Weatherly	City Attorney
	Carolyn Ross	Administrative Services Manager
	Steve Miller	Utilities Manager
	Nicole Bartlett	Division Manager
	Carl Wilson	Chief Utilities Engineer

Approval of Meeting Minutes

A motion was made by Barbara Bleiweis and seconded by William Cornett to approve the November minutes. The motion was approved.

Finance and Budget Update

Chad Howell (Utilities Manager) presented the Finance and Budget Update, and the following key points were noted:

- Three budgets were currently being processed with the financial statements for 2021 being closed on a strong footing; revenue was \$2m over expenditure and an additional \$13m in deferred sewer revenue was pending. The certified annual financial report for 2021 would become available in two months' time.
- The operating expenses for December 2021 were highlighted and the city-wide issue relating to Duke Energy was mentioned.
- In relation to the 2022 budget, revenues were currently strong, and the 2023 budget was in the process of being finalized in line with the Strategic Plan. The final draft budget for 2023 would include a \$570m operating budget and would be submitted to the Committee in due course.

Operations and Capital Update

Ron Hargrove (Deputy Director) provided an Operations Update relating to the Charlotte Distribution and Collection System and referred to special topics which could be considered at future meetings. Arising from his report, the following key points were highlighted:

- The drought condition in some parts of North Carolina had intensified since the last meeting and average water demand for 2021 had increased significantly on the previous year from 105 to 116 MGD ytd. Average rainfall for 2021 was 61.7" which was low; the last ten-year average was above 70". The Vest water plant is currently out of service would become fully operational in February 2022.

- In terms of the distribution system, the leak response (due to staff illness and vacancies) had slowed since the last meeting.
- The wastewater update highlighted that the 2021 average flows had hit 83.9 MGD and one toxicity incident had reduced the permit compliance rate to 99.9%; the eventual outcome of the incident would be reported to the Committee.
- In relation to water collection systems, debris and grease were the main factors generating SSO problems. It was also highlighted that, to date, reducing SSOs concerning 'Compliant with Collection Systems Permit' had achieved 74 or 1.6/100 mi. Only one civil penalty (and associated state enforcement action) had occurred recently involving an external contractor. At least 10% of water collection systems must be cleaned and a concerted effort was taking place to meet and surpass the regulatory requirement.

Carl Wilson (Chief Utilities Manager) provided a Capital Update and focused on the following projects:

- The Irwin Creek Tributaries Sewer to Yeoman and Dewitt project had been substantially completed in December 2021 at a total cost of \$32.5m which was \$5m below the original project price. The challenging project had been built on 38 different parcels and involved a huge pit, jack-and-bore operation, 6 tunnels and nearly 100 manholes.
- The McDowell WWTP Aeration Basin Rehabilitation project was replacing 20 year-old diffuser discs to help maintain flow through other basins. The project cost was \$384k and had helped to recoup savings of c\$200k overall.
- The Industrial Coatings Program had commenced in 2018 and served both water and wastewater. Sixteen projects had been completed to date with four currently in progress at a total cost of \$700k in 2021.
- The Committee welcomed the presentations and updates which should continue to help inform members on progress of major projects. Committee members were also keen to schedule on-site visits when Covid restrictions were eased.

Update on Delinquent Turn-Off Charlotte Water Accounts

Steve Miller (Utilities Manager) provided an update on customer billing (in relation to delinquency) and the following key points were noted:

- The delinquency process resumed on October 4, 2021 and was focusing on accounts with the highest balances.
- As of 15 January 2022, 8,044 residential, 167 commercial and 75 multi-family accounts were eligible for delinquent turn-off. The general locations of delinquent accounts were outlined in heat maps and it was noted that delinquent numbers had significantly declined over the past few months. The current average debtor balance had also significantly decreased from \$644 in October to \$320.
- There are 17 billing cycles each month which means turn-offs occur regularly between 8am to 12noon Monday to Thursday with no turn-offs occurring on Fridays and near holidays.
- The operational goals were to complete delinquent turn-ons within 24 hours of payment and it was expected that the volume of delinquent accounts would return to pre-Covid levels by May 1, 2022.
- There were a variety of community agencies supporting customers to have their water services restored. The Low-Income Household Water Assistance Program (LIHWAP) was working well and closely with Mecklenburg County DSS to match and currently protect 1,892 accounts from being turned-off.
- The LIHWAP was supported by a national fund of \$38m from December 1, 2021 operated by NCDHHS who had earmarked \$16m to prioritize eligible customers. To date, 16% of eligible LIHWAP funds had been utilized by the county (which was performing as the lead county in the state and, possibly, the country) to prioritize cut-offs and support customers in danger of being disconnected.
- Chad Howell also highlighted that the state had recently announced that additional funds to counties should become available to support delinquent accounts.

- Thomas Powers (Assistant City Attorney Sr) provided a verbal update, in response to questions from a Committee member, on the legal position of the proposed foundation, and the requirements for members to publicly annually disclose their interests by returning a form by February 1, 2022 to the Council clerk.

Catawba-Wateree Drought Management Advisory Group (DMAG)

Ron Hargrove (Deputy Director) referred to his drought management presentation report, and the following key points were noted:

- The DMAG had been established in 2006 and included over forty members (such as public water suppliers, state and US government agencies, large industrial users, and Duke Energy) to oversee the Low Inflow Protocol (LIP) (a drought management plan) as part of Duke Energy's Comprehensive Relicensing Agreement.
- The LIP's focus was on the drought index and water supply to help conserve water, and the Charlotte Water area had recently moved from 'normal' to enter Stage 0 – Drought Watch. Moving into the next drought stage required a change in lake levels and either a change in stream flows or a change in US Drought Monitor; moving out of a drought stage required an improvement in all three criteria.
- The relevant indicators and gauges recording current water levels were highlighted which were showing a deteriorating position and only the heavy rainfall over New Year had avoided the area entering Stage 1.
- The position was being reviewed by the DMAG every fortnight with the group convening every month to determine if further conserving activities were required.

Covid Update

Shawn Coffman (Deputy Director) provided a verbal update on the impact of Covid on staffing, and it was noted that:

- The seven-day positivity rate for the locality was currently 34.8% which was 'high community spreading'. Around 4,700 people were currently hospitalized in North Carolina which was posing key challenges for staffing and maintaining services. It was estimated that around 6% of the Charlotte Water workforce was not in work due to Covid. It was sadly noted that one staff member had died recently due to Covid.
- The city vaccination program had stalled due to the recent US Supreme Court decision concerning the mandate.
- The key message was for staff and citizens to stay safe during these challenging times.

Meeting Adjourned

William Cornett moved to adjourn the meeting which was seconded by Cemental Grayson Roundtree, and all were in favor. The motion passed and the meeting adjourned 3:45pm.

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