

**CHARLOTTE WATER
ADVISORY COMMITTEE
MINUTES OF MEETING
February 15, 2018**

Charlotte Water Advisory Committee met Thursday, February 15, 2018, 2:30 pm at 4222 Westmont Drive, Charlotte, NC.

Members Present: Barbara Bleiweis, Leslie Jones, William Royal, Frank McMahan, Barry Webb

Members Absent: Dorian Carter, Jim Duke

Staff Present:	Angela Lee	Director
	David Czerr	Deputy Directory
	Carl Wilson	Chief Engineer
	Jean Creech	Residuals Technical Services Manager
	Chad Howell	Chief Financial Officer
	Kim Eagle	Assistant City Manager
	Jackie Jarrell	Operations Chief Operations Chief Waste Water
	Karen Weatherly	Assistant City Attorney

Safety Minute

Defensive Driving

Approval of Minutes

A motion was made by Barry Webb, and seconded by Barbara Bleiweis, to approve the November 2017 minutes. Motion was approved.

Introductions

Angela Lee, the incoming Director of Charlotte Water, introduced herself to the group followed by all attendees stating their name and title.

Budget Update

Revenues are ahead of the weighted average. The department is scheduled to give \$95 million to the capital program. Water consumption is slowing coming up; even though there are more users in the system, they are using less water than projected.

Budget Review FY 2019

The City's budget will be adopted in June 2018. Charlotte Water has five partners that assist with financial planning. In order to formulate the budget, Charlotte Water establishes revenue needs, forecasts sales, applies rate methodology, and sets and adjusts rate; the department does not operate from any tax dollars.

The total budget for FY19 is \$407.4 million. Billing fees and availability fees stabilize the rates. The department also charges capacity and connection for new additions to the system. This revenue is expected to bring in \$21.3 million in FY19. Debt service and capital financing have been included into the budget with \$258 million going toward these areas. The CIP over the next five years is \$1.46 billion.

Charlotte Water plans to ask council to consider a 3% monthly rate increase for customers. For the customers at 1 Ccf, this will equal approximately \$0.74 increase for a total bill of about \$25.55 per month. Customers who

are at or around 7 Ccfs will incur a \$1.89 increase for a total bill of approximately \$64.61. The department's rates compare very favorably to other utilities in the Southeast as well as around the country.

The department is also requesting 44 new positions, known as Service Level Changes (SLCs). SLCs are now grouped into categories: Building Great Neighborhoods, Growing our Economic Base, Investing in the Community, and Connecting Residents to Jobs.

Biosolids Master Plan

Charlotte Water has contract services with Synagro to handle class B biosolids. The majority of the biosolids are applied to farm land to help grow crops, and the remainder is taken to the landfill. The department has seven landfills in total due to the amount of biosolids that are discharged. The program is ISO 14001 certified with an excellent regulatory compliance track and no violations.

The department is in the final year of a five-year renewal option in the Synagro contract, which is around \$5 million. The current biosolids program has the following limitations: existing facilities are limited, limited end-use outlets, regulatory environment that requires more monitoring, dependence on single-independent contract, and no product diversification. The department would like to become more diversified in terms of biosolids with the following goals for the new contract: develop a balance and sustainable plan, have more flexibility and diversification while continuing to be cost effective, focus on resource recovery and beneficial use, educate community on the benefits, and explore opportunities for collaborations with other entities both public and private.

A future goal is to consolidate solids processing handling and distribution at McAlpine WWTP. This would allow for more efficiency and effectiveness to manage solids and take advantage of new technology, such as Thermal Hydrolysis produces a much drier product, with 30% less mass and increases capacity in our treatment plants. The initial capital construction estimate would be \$66MM and potentially could go up. A market analysis is underway to see what's available in the region, as most of the new technology is in Europe.

Synagro has soil science expertise, a capacity that other competitors do not encompass, and has strong relationships with farmers, regulators, our staff, and the landfills. They also have the depth to support the department's Biosolids program, which is so large that other contractors cannot handle the workload and coordination would be more difficult and costly to the rate payers.

South End / Capacity

Recent news stories have been circulating about the capacity issues in the sewer system. The department completes roughly 500 capacity analyses per year, during which time a full pipe at capacity will be identified. The news reports mentioned that Charlotte Water is stopping development, which became an issue that escalated to the City Manager's Office.

The following areas have been identified as having a sewer capacity issue: SouthPark, Wilmore, Barringer, N. Tryon, and Doby Creek. Sugar Creek WWTP is permitted to treat more flows than the current amount, however, that project is on hold for now. The real difficulty is predicting which pipes will need rehabilitation to increase capacity. Projects are underway to handle 50,000+ of flow a day. Efforts have been made to correct the message by meeting with Council members, which have had favorable results.

Meeting Adjourned – 4:09 pm

CT & KCJ