



CITY MANAGER'S REPORT

AGENDA ITEM REQUEST

UTILITIES DEPARTMENT

DATE: January 11, 2018

TO: Ed Lavallee, ICMA-CM, MPA, City Manager

FROM: Javier Vargas, Utilities Director

COUNCIL DATE: January 23, 2018

SUBJECT: **Water Meters**
Sole Source Purchase (Innovative Metering Solutions)

Background:

Over ten years ago, the City initiated a program for the replacement of all manual read meters with radio read meters. These initial installations have reached their recommended useful life. Utilities included a capital project in FY 2017 to start replacement of the oldest of these meters. As most utility systems do, Utilities uses a sole source supplier for water meters. In this case, Badger Meter is the manufacturer used by Utilities. Innovative Metering Solutions (IMS) is the sole source vendor for Badger Meter in this area. Utilities currently has a sole source purchase agreement with IMS for fiscal year 2018 to allow the purchase of water meters needed for new water service connections and replacing damaged meters.

Phase three of this capital project will continue the Utilities' ongoing efforts to upgrade the existing radio read meters (Automatic Meter Reading) to Advanced Metering Infrastructure (AMI). The upgraded meters will ultimately transmit meter data to centrally located towers and will not require meter readers to drive by each meter to collect meter data. In addition, detailed flow data can be obtained instantaneously for individual customers without sending staff to a customer. Full implementation of all AMI capabilities is expected within a couple years, once enough AMI meters are in the system to justify the expense of the towers needed to transmit and receive signals. There are approximately 1,995 water meters that are greater than 10 years old that will be replaced as part of this year's project (phase).

The anticipated cost for the 1,995 meters is \$395,325.54.

Requested Action:

The Utilities Department requests Council's approval for the purchase of 1,995 meters from of Innovative Metering Solutions in the amount of \$395,325.54 for fiscal year 2018.

City Attorney Review:

N/A

Risk Management Review:

N/A

Funds Availability (account number):

Based on Council's approval, funds are available in account number 421-1202-536.63-00.