

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: December 2, 2014		DATE SUBMITTED: November 17, 2014	
DEPARTMENT OF ORIGIN: Water Services		SUBMITTED BY: Jayson Barfknecht	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input checked="" type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input type="checkbox"/> QUALITY OF LIFE
AGENDA ITEM DESCRIPTION: Consider authorizing the Phase IV purchase of meters and communication modules through Sensus USA, Inc. for the ongoing installation and implementation of an Advanced Meter Infrastructure (AMI) system for Water Services at an amount not to exceed \$1,000,000.			
SUMMARY STATEMENT: In 2008, BTU and Water Services entered into an agreement with R.W. Beck to develop a business case for an Advanced Meter Infrastructure (AMI) system. In 2009, results of the business case were presented to the City Council and staff asked permission to issue a Request for Proposal (RFP) to possible AMI vendors. In 2009, proposals were taken for an AMI system from three (3) different vendors. After evaluating the proposals, staff selected Sensus as the successful vendor. In early 2010, staff asked City Council for permission to negotiate with Sensus on a contract for the installation of the AMI system. On February 22, 2011, City Council approved a contract with Sensus for the development, procurement, and implementation of the system.			
<p>While BTU opted to convert their entire system over to the new AMI system, Water Services planned for a phased implementation. Phase I included all commercial water meters and 8,000 residential water meters to be replaced by City staff. The replacement of 8,000 residential meters continued Water Services' proactive replacement of aging residential water meters. Water Services elected to install communication modules on a select 3,000 meters within the water service area. These water meters included larger vault meters, rural meters, hard to read residential and commercial meters, and meters for anticipated pre-pay customers. The remaining water meters (approximately 19,500) were to be read manually and billed by BTU due to the cost and unknown reliability of the module.</p> <p>Phase II of the project was approved by the City Council during FY2013, which authorized the expenditure of \$1,000,000 towards the ongoing implementation of the AMI system. With those funds, Water Services continued migrating away from manually read meters, and 4,000 three-quarter inch meters, 500 one inch meters, 5,050 communication modules, as well as maintenance/growth levels of meters larger in size than one inch were purchased during this phase of the project.</p> <p>Phase III of the project was approved by the City Council last fiscal year, which authorized the expenditure of \$1,000,000 towards the ongoing implementation of the AMI system. With those funds, Water Services continued migrating away from manually read meters, and 5,500 three-quarter inch meters and 5,000 communication modules, as well as maintenance/growth levels of meters larger in size than one inch were purchased during this phase of the project.</p> <p>The benefits of the AMI system, in conjunction with the cost of manually reading the remaining water meters, makes it a viable option to continue phasing Sensus products into the meter replacement program. Water Services presented information to the City Council in a budgetary workshop for an accelerated timeline to complete the AMI conversion. Over the next year, \$500,000 is allocated from each fund (Water and Sewer) for a total of \$1,000,000.</p>			

From an inventory standpoint, Water Services currently has approximately 5,000 three-quarter inch meters and communication modules left to purchase. At current pricing, those numbers project out to \$910,000. A cost reduction is anticipated in areas where dual port communication modules can be utilized in lieu of single port modules. A dual port module connects two (2) meters to the network at a cost of \$110 versus a single port module which connects one (1) meter to the network for \$95. For a dual port module to work, the meters must be within a few feet of each other. It is difficult to project the actual module to be utilized until entering into the replacement process (cost above is a worst case scenario). There will also be maintenance/growth levels of meters larger in size than one inch to be purchased during this phase of the project.

Staff recommends the City Council authorize the Phase IV purchase of meters and communication modules through Sensus for the ongoing installation and implementation of an Advanced Meter Infrastructure (AMI) system for Water Services at an amount not to exceed \$1,000,000.

STAFF ANALYSIS AND RECOMMENDATION: When amortized, AMI is less expensive than manual systems for reading water meters. The AMI system will allow customers to access current reads in their homes in the future. Stop and start readings are instant from the billing office at the customer's request. AMI will allow the City to notify customers when they have private water leaks and meter readers will no longer need to walk on private property every month.

Staff recommends approving the Phase IV purchase of meters and communication modules through Sensus for the ongoing installation and implementation of an Advanced Meter Infrastructure (AMI) system for Water Services. The project has the ability to reduce billing and operational costs, as well as providing time of use and leak detection to customers. Revenue will be maximized by upgrading underperforming meters with more accurate meters.

OPTIONS (In Suggested Order of Staff Preference):

- 1) Authorize the expenditure of funds.
- 2) Modify the expenditure amount.
- 3) Provide direction to staff.

ATTACHMENTS: None

FUNDING SOURCE: Water Services Water and Wastewater Operating fund

APPROVALS: Jayson E. Barfknecht 11/16/14; Hugh R. Walker, 11/18/2014

APPROVED FOR SUBMITTAL: CITY MANAGER Kean Register, 11-17-2014

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 11-24-2014