



City of Sierra Madre Agenda Report

Denise Delmar, Mayor
John Harabedian, Mayor Pro Tem
Rachelle Arizmendi, Council Member
John Capoccia, Council Member
Gene Goss, Council Member

Sue Spears City Clerk
Michael Amerio City Treasurer

TO: Honorable Mayor and Members of the City Council

FROM: Jose Reynoso, Utility Services Director

REVIEWED BY: Gabriel Engeland, City Manager *[Signature]*

DATE: May 8, 2018

SUBJECT: Approve a Sole Source Professional Services Agreement for the purchase and installation of a citywide AMI "smart meter" system

SUMMARY

Sierra Madre has been researching the conversion of current meters to AMI "Smart" Meter technology for several years.

On February 12, 2013 Council approved Sensus meter purchases from Aqua Metric as a sole source provider.

Sensus supplies the meter reading/billing system software interface as well as the handheld computers used to read direct read, touch read and radio read meters.

The use of one vendor to provide a complete solution for metering, advanced metering infrastructure (AMI) and billing interface eliminates the possibility of meter reading errors associated with software compatibilities, read fails due to splicing of wires, retrofit equipment, avoids warranty issues with modifying equipment and reduces the amount of inventory.

AMI PROJECT BENEFITS

1. Four Pump Operators reassigned to other water system maintenance duties.
2. City monthly meter reading completed from desk. (Saving 50 man hours per month.)
3. Allows Customers to monitor daily water use in near real time.
4. Improved meter accuracy resulting in lower water loss statistics.
5. Closing/Opening meter reads completed from the office.
6. Eliminates re-reads related to human error and unusual consumption (Saving 30 man hours per month).
7. Provides hourly water usage information, which reduces customer service time related to explaining a disputed bill.

8. Notifies staff and customer of a possible leaks. Will lead to reduced leak adjustments.
9. Eliminates vehicle expense related to reading the meters.
10. Staff will have real-time usage data to assist customers in monitoring high water use.

STAFF RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with Thirkettle Corporation, DBA Aqua Metrics Sales Co. and Sensus USA, Inc. for the purchase and installation of a citywide Sensus Automated Meter Infrastructure (AMI) system, in an amount not to exceed \$947,307.

ALTERNATIVES

1. The City Council may determine that a one year purchase and installation schedule is too aggressive and direct staff to purchase and install meters over a number of years.
2. The City Council may determine to not spend these funds in this manner and prioritize other capital projects ahead of the conversion to AMI "Smart" Meters.

FINANCIAL REVIEW

The total cost of this project as negotiated is \$947,307. Staff intends to include this amount in the fiscal year 2018-2019 CIP budget for the Water Fund. The majority of these funds, \$663,800, will come from the water bond refinancing which Council approved in 2017 and are currently in Water Fund reserves.

In addition, staff anticipates using budgeted, but unexpended CIP funds from the current (2017-18) fiscal year to be in the amount of \$290,000.

ANALYSIS

The City of Sierra Madre has been pursuing an AMI solution for metering since 2005.

In 2005 Staff met with representatives of multiple water meter vendors to hear presentations on the benefits and cost of converting the City's metering system to AMI. Ultimately staff found the advantages of staying with Sensus outweighed all other systems.

In 2008 the City began purchasing Smart Meters in an effort to increase operational efficiency and in anticipation of an AMI solution. These meter are fully AMI capable, currently they are read by either a touch wand, drive-by radio frequency or conventional visual read. To date the City has installed approximately 2000 smart Sensus meters.

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At the March 1, 2018 Water Sub-Committee meeting staff was directed to contact Aqua-Metric for AMI system pricing and to bring it to council for consideration.

Staff has reviewed recent complete AMI projects awarded to Aqua-Metric and has secured the following pricing from Aqua-Metric:

Firm	Installation	Web Portal	Equipment	Boxes/Lids	Tax	Cost
2018 Aqua-Metric Pricing						
Aqua-Metric	\$296,810	\$61,708	\$703,068	\$107,607	\$74,924	\$1,244,117

Staff is planning to do the installation in-house reducing the costs to \$947,307.

CEQA / ENVIRONMENTAL REVIEW

The proposed project is exempt from CEQA as a replacement or reconstruction project under Section 15302(c) of the Guidelines, "Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity."

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter, at the Sierra Madre Public Library, and can be accessed on the City's website at www.cityofsierramadre.com.