



CITY COMMISSION STAFF REPORT

DEPARTMENT: Utilities Department,

DATE: August 27, 2024

SUBJECT: Approval of Piggyback Agreement with the City of Sunrise for Advanced Metering Infrastructure (AMI) Software as a Service and Spectrum Lease Agreement with Sensus USA Inc. - **Utilities**

CITY MANAGER RECOMMENDATION:

The City Manager recommends approval to Piggyback the Agreement between the City of Sunrise and Sensus USA Inc. for Advanced Metering Infrastructure Software as a Service and the Federal Communications Commission (FCC) Lease Agreement.

BACKGROUND OF ITEM:

On July 23, 2024 the Utilities Department presented an alternative for converting Cooper City's metering infrastructure to a Sensus USA Inc.'s fixed network and two way communication system, to be installed and serviced by Core & Main, L.P. (Sensus USA Inc.'s distributor and supplier). This fixed network of advanced meters and radio transmitters, two base station controllers, computer servers and software one time set up will require Software and an FCC license. Sensus USA Inc., as part of their service delivery for this conversion, will provide Software for integration with the City's Financial Enterprise Resource Program (BS&A) to automate meter reading, bill processing and payments. Sensus' notification of alerts system and customer portal will provide enhanced customer service as well as a dedicated field technician to assist city personnel (meter reader and utility mechanics) with problems arising from continuous water use (leaks), backflow, equipment failure trouble shooting, and servicing of warranty related items between City and the Manufacturer, as necessary.

This item will provide the authorization for Sensus USA Inc. to apply to the FCC on the City of Cooper City's behalf for a Spectrum Manager Lease on FCC Form 608 with the City becoming the Spectrum Lessee, and if Customer does not already have one, ownership disclosure information will be provided on Form 602. This item accompanies another item on this same agenda which covers the costs for equipment installation, engineering, start-up, and ongoing field services by Core & Main, L.P.

Sensus USA Inc. equipment and services have been successfully installed and operational for several years in Palm Beach County Utilities, Seacoast Utility Authority (SUA) in the vicinity of Jupiter, Miramar, Hallandale Beach, and Boynton Beach, FL as well as Mobile, AL, Albany, GA and

numerous other utilities across the USA. Sensus USA Inc. equipment is currently being installed in the City of Sunrise and the City of Fort Lauderdale, and Sensus USA Inc. distributor/installer (Core & Main, L.P.) has staff and equipment in stock locally to immediately assist Cooper City with the needed.

A two-step phased approach for installation of Sensus AMI equipment can be completed such that the amount of funding previously requisitioned for purchasing 5,500 manual read meters can be applied with approval of this City Commission Item to fund this first phase of Advanced Metering Infrastructure conversion. The remaining (Phase II) work costs can be included in the FY2025 capital improvement program budget to complete the conversion. This approach will allow the City to phase out the non-working Mueller System meters and radio endpoints, and discontinue the costs associated with that system sooner.

Approximately 1,300 or more Mueller System meters and endpoints have failed and are continuing to fail, resulting in revenue losses, the City's unaccounted for water percentage has spiked and may potentially impact City compliance with the South Florida Water Management District Water Use Permit conditions. These complications also impact the City's capability to recover required revenue for much needed plant and system improvements and capital recovery costs (the revenue required over the long term to replace the City's aging utility infrastructure on schedule) and capital reserves.

ANALYSIS:

The Utilities Department and City Manager recommends this approach since this is a unique opportunity to leverage advances made in recent years from efforts and available technology in an existing contract executed by the City of Sunrise in February 2024. The mobilization, cost effective contract, and availability of resources can be leveraged by Cooper City now to resolve its immediate and acute complications with its Mueller AMI System, and Sensus USA Inc. provides a full 15-year and prorated additional 5 year warranty on their meters and battery operation, while most other manufacture's provide a full ten (10) year and prorated ten (10) year warranty programs. The Sunrise AMI Contract provides for a backup Base Station on a Truck in the event either Base Station Controller fails to provide service, as additional assurance for continuous customer service.

STRATEGIC PLAN:

Investing and installing a new AMI network will enhance the City's capability to increase fiscal transparency since advanced meters with a customer portal will allow customers to access and monitor their own water use and applicable wastewater charges from their metered water used. The system will also improve the City's capability to recover portions of its fund balance, since older, mechanical (positive displacement type) meters slow down with time of use, so replacing meters will improve registration of full amount of water used by customers. Installing a complete AMI network will improve the City's investment in technological improvements, and all of these objectives are outlined in Strategic Goal No. 1 of the City's Strategic Plan. The AMI system will also assist the City in achieving a reduction in water distribution system water losses (unaccounted for water) as indicated in Strategic Goal No. 4 of the City's 2022-27 Strategic Plan.

FISCAL IMPACT:

The costs for installation and start-up and ongoing office and field-related services for this AMI system are included in the accompanying item with Core & Main, L.P.

<u>General Ledger Acct. Number</u>	<u>Remaining Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
453-911-563422-533-24018	\$852,862	\$0	\$0

ALTERNATIVES:

The alternatives to authorizing this request are to consider a different approach of installing a manual metering system without automation, which would include less overall costs for replacing the City’s aged metering infrastructure but would also result in continued complications and errors related to human tasks and limited technological advancement in the City’s infrastructure and service delivery. Other meter manufacturers would also be a potential alternative, but at a higher cost, referencing estimates collected by the Utilities Director and other utilities nearby, not to mention the advantages of having adjacent Fixed networks in place in Sunrise and Fort Lauderdale, which would benefit Cooper City in terms of coverage and propagating meter readings and related data.

ATTACHMENTS:

1. Piggyback Agreement between the City of Cooper City and Sensus USA Inc. for Software as a Service and Spectrum Lease
2. Vendor Compliance