



Agenda Memo

Crest Hill, IL

Meeting Date: February 26, 2024
Submitter: Michael C. Eulitz
Department: Public Works Department
Agenda Item: Water Meter Budget Amendment

Summary:

Public Works began the water meter replacement program in 2019 with the goal of replacing all water meters with new smart readers in a multiyear program. The pandemic caused a significant delay in both the supply chain issues and the ability to enter homes and businesses. As things have returned to normal, we anticipate being able to finish out the meter installations in 2024, which is much earlier than originally anticipated. Original budgets for fiscal year 2025 had \$900,000.00 for meter replacement.

Because of supply chain issues, meter orders were increased without corresponding budget increases. Meters have since arrived, which will allow us to install and put into operation the new smart readers in this fiscal year. Moving to the automatic meter reading system (smart readers) gives us the ability to cut down on unreads, use the smart reading system to track customer water usage, monitor water issues remotely and move towards monthly billing cycles.

Obtaining our entire supply of meters earlier than expected has created a budget shortfall in the fiscal year budget of 2023-2024 in the amount of \$1,270,582.30. This reflects a total cost for meter replacements of \$2,170,582.30. Purchasing these meters in the fiscal year 2024 budget has decreased the projected meter cost in the FY 2025 budget by \$300,000 which has reduced the original projected budget deficit that was brought to Council at the February 12, 2024 work session. To accomplish this replacement program, we would need to dip in to fund balance for this additional amount. Funds are available in this fund balance.

Recommended Council Action: Provide direction on completing the water meter replacement program by approving a budget amendment to cover the remaining costs of \$1,270,582.30.

Financial Impact:

Funding Source: FY 23-24 Fund Balance

Budgeted Amount: N/A

Cost: \$1,270,582.30

Attachments: