

# Folsom City Council Staff Report

<b>MEETING DATE:</b>	2/27/2024
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 11175 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division
<b>FROM:</b>	Environmental and Water Resources Department

## **RECOMMENDATION / CITY COUNCIL ACTION**

The Environmental and Water Resources Department recommends that the City Council pass and adopt Resolution No. 11175 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division.

## **BACKGROUND / ISSUE**

By State law California Water Code Section 526 the City began billing all City water customers based on consumptive rates in January 2013. In preparation for the 2013 metered billing, the City implemented a city-wide fixed network meter reading system. In 2019, the city participated in a regional Water Meter Consortium study that analyzed meter reading technology. A consequent recommendation was for the City to conduct a three year pilot project of the Badger Meter cellular automated metering infrastructure (AMI) system. In October 2020 the City Council approved Resolution No. 10537 authorizing execution of an agreement with Badger Meter Inc for the pilot project. Through this pilot project, the Badger Meter AMI system has been implemented in the Folsom Plan Area (FPA). To keep up with growth of the FPA, in July 2022, City Council approved execution of Amendment No. 1 to the resulting Agreement

(Contract No. 046-21 21-005) to facilitate purchasing additional cellular endpoints for the pilot project.

In anticipation of the end of the pilot project in April 2024, and based on its success, city staff recommends continuing use of the Badger Meter AMI system and expanding it to other Folsom neighborhoods outside of the FPA area. This resolution authorizes the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meters, Inc. to purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division.

### **POLICY / RULE**

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$73,209 or greater shall be awarded by City Council.

### **ANALYSIS**

Based on a recommendation of the Water Meter Consortium, the city has conducted a pilot project utilizing the Badger Meter cellular AMI system in the Folsom Plan Area. This three-year project ends in April 2024. The city currently has approximately 3,500 endpoints installed in the FPA and linked with the Badger Meter cellular AMI system. The AMI system has proven to be successful in providing accurate data for metered billing, a very high percentage of continuous and accurate reads, minimal latency, and effective battery length. The system has also provided near real-time meter consumption data with less maintenance impact and staffing cost.

Based on the experience of the pilot project, city staff recommends this amendment to allow continued use of the Badger Meter cellular AMI system in the Folsom Plan Area for an additional three years through the end of FY 2026-27. Further, the amendment will authorize expanding use of the Badger Meter cellular AMI system to other parts of Folsom.

Since this is a cellular AMI system and is built on existing commercial wireless networks, there is no additional infrastructure that needs to be installed. The costs incurred for use and expansion of the Badger Meter cellular AMI system are based solely on the purchase price of individual cellular endpoint devices that are installed on water meters, and a monthly service fee charged per activated endpoint.

The next three-year expanded rollout of Badger Meter cellular AMI will be for the continued purchasing of endpoints annually for installation on new homes in the FPA, in addition to additional endpoints annually to be used as replacements, for expansion of the system to other areas of the city.

The annual amount and cost to the City for this amendment is split out by fund as shown in the table below:

Item		Remainder of FY23-24	FY24-25	FY25-26	FY26-27
Number of Endpoints Purchased	For New Homes (Fund 522)	500	1,000	1,000	1,000
	For Replacement (Fund 520)	3,000	2,500	2,500	2,500
	<b>Total</b>	3,500	3,500	3,500	3,500
Cost of Endpoints	Fund 522	\$55,815	\$111,629	\$111,629	\$111,629
	Fund 520	\$334,887	\$279,073	\$279,073	\$279,073
	<b>Total</b>	\$391,000	\$391,000	\$391,000	\$391,000
<b>Anticipated Total Service Cost Per Year (520)</b>		\$15,000	\$75,000	\$105,000	\$136,000
<b>Total Cost Per Year (inc. tax)</b>		\$406,000	\$466,000	\$496,000	\$527,000
<b>Total Cost of Amendment:</b>					<b>\$1,895,000</b>

This resolution will authorize the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for the Automated Metering Infrastructure Network for the City of Folsom Water Meter Division.

### **FINANCIAL IMPACT**

Endpoints purchased for installation on new homes are paid for out of the Water Meter Fund (Fund 522). The Water Meter Fund (Fund 522) is funded through fees paid by Developers for the installation of water meters and meter reading equipment. Expansion of the Badger Meter cellular AMI system into other areas of the city will involve replacing endpoints supplied by other manufacturers with Badger Meter endpoints. Endpoints purchased to replace existing endpoints are paid for out of the Water Operating Fund (Fund 520). Ongoing service for the endpoints is paid for out of the Water Operating Fund (Fund 520). There is sufficient funding in the Water Operating Fund (Fund 520) for FY 23-24 to fund the purchase of endpoints.

The Environmental and Water Resources Department recommends approval of this amendment, increasing the overall agreement by \$1,895,000 for a new not-to-exceed total for the term of the agreement of \$2,351,980. Sufficient funds for this amendment are available in

the current fiscal year in the Water Meter Fund (Fund 522) and the Water Operating Fund (Fund 520) and will be made available through the budget process for the remainder of the period of the Agreement.

### **ENVIRONMENTAL REVIEW**

This work consists of basic data collection and component installation that does not result in a serious or major disturbance to an environmental resource, and is categorically exempt from environmental review under the California Environmental Quality Act as noted in Title 14 - California Code of Regulations, Chapter 3 - Guidelines for Implementation of the California Environmental Quality Act, Article 19 - Categorical Exemptions, Section 15306 – Information Collection.

### **ATTACHMENTS**

1. Resolution No. 11175 - A Resolution Authorizing the City Manager to Execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division
2. Resolution No. 10891 - A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division
3. Resolution No. 10537 - A Resolution Authorizing the City Manager to Execute an Agreement with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division

Submitted,

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Marcus Yasutake, Director  
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

**ATTACHMENT 1**

**RESOLUTION NO. 11175**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE AGREEMENT (CONTRACT NO. 046-21 21-005) WITH BADGER METER, INC. TO PURCHASE BADGER CELLULAR ENDPOINTS FOR A THREE YEAR PILOT AUTOMATED METERING INFRASTRUCTURE NETWORK FOR THE CITY OF FOLSOM WATER METER DIVISION**

**WHEREAS**, remote meter reading is an essential operation for accurate, timely billing, water conservation and maintenance of the meter infrastructure; and

**WHEREAS**, in April 2024, the city will have completed a three-year pilot project utilizing the Badger Meter cellular AMI system as recommended by the Water Meter Consortium; and

**WHEREAS**, based on the experience of the pilot project, the city would like to continue use of the Badger Meter cellular AMI system in the Folsom Plan Area through to FY 2026-27; and

**WHEREAS**, based on the experience of the pilot project, the city would also like expand use of the Badger Meter cellular AMI system to other areas of the city; and

**WHEREAS**, the endpoints and associated services will be paid for using a combination of funds from the Water Meter Fund (Fund 522) and the Water Operating Fund (Fund 520); and

**WHEREAS**, funds are available in the current fiscal year and will be made available for the remainder of the agreement in both the Water Meter Fund (Fund 522) and the Water Operating Fund (Fund 520); and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute Amendment No. 2 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. for \$1,895,000, to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division for a new contract total not-to-exceed amount of \$2,351,980.

**PASSED AND ADOPTED** this 27<sup>th</sup> day of February 2024, by the following roll-call vote:

**AYES:** Councilmember(s):  
**NOES:** Councilmember(s):  
**ABSENT:** Councilmember(s):  
**ABSTAIN:** Councilmember(s):

\_\_\_\_\_  
Michael D. Kozlowski, MAYOR

ATTEST:

\_\_\_\_\_  
Christa Freemantle, CITY CLERK

**ATTACHMENT 2**

**RESOLUTION NO. 10891**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT (CONTRACT NO. 046-21 21-005) WITH BADGER METER, INC. TO PURCHASE BADGER CELLULAR ENDPOINTS FOR A THREE YEAR PILOT AUTOMATED METERING INFRASTRUCTURE NETWORK FOR THE CITY OF FOLSOM WATER METER DIVISION**

**WHEREAS**, remote meter reading is an essential operation for accurate, timely billing, water conservation and maintenance of the meter infrastructure; and

**WHEREAS**, the City participated in a region Water Meter Consortium to analyze regional water meter networks with a recommendation that the City pilot the Badger Meter Cellular AMI system; and

**WHEREAS**, additional cellular endpoints are needed to keep up with an increased demand in water meter installations; and

**WHEREAS**, sufficient funds have been budgeted and are available in the Water Meters Fund (Fund 522); and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute Amendment No. 1 to the Agreement (Contract No. 046-21 21-005) with Badger Meter, Inc. to Purchase Badger Cellular Endpoints for a Three Year Pilot Automated Metering Infrastructure Network for the City of Folsom Water Meter Division for a not-to-exceed amount of \$194,480.

**PASSED AND ADOPTED** this 26<sup>th</sup> day of July 2022, by the following roll-call vote:

<b>AYES:</b>	Councilmember(s):	Chalamcherla, Kozlowski, Rodriguez, Aquino, Howell
<b>NOES:</b>	Councilmember(s):	None
<b>ABSENT:</b>	Councilmember(s):	None
<b>ABSTAIN:</b>	Councilmember(s):	None



Kerri M. Howell, MAYOR

ATTEST:



Christa Freemantle, CITY CLERK



**ATTACHMENT 3**

**RESOLUTION NO. 10537**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH BADGER METER, INC. TO PURCHASE BADGER CELLULAR ENDPOINTS FOR A THREE YEAR PILOT AUTOMATED METERING INFRASTRUCTURE NETWORK FOR THE CITY OF FOLSOM WATER METER DIVISION**

**WHEREAS**, remote meter reading is an essential operation for accurate, timely billing, water conservation and maintenance of the meter infrastructure; and

**WHEREAS**, the City participated in a region Water Meter Consortium to analyze regional water meter networks; and

**WHEREAS**, on July 30, 2020, through the analysis of the Water Meter Consortium, it has been recommended the City pilot the Badger Meter Cellular AMI system; and

**WHEREAS**, sufficient funds have been budgeted and are available in the Water Operating Fund (Fund 520); and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to execute an agreement with Badger Meter, Inc. for the supply of endpoints and service for an amount not-to-exceed \$262,500 over a 3 year period.

**PASSED AND ADOPTED** this 27th day of October 2020, by the following roll-call vote:

**AYES:** Council Member(s): Morin, Howell, Kozlowski, Aquino


**NOES:** Council Member(s): None

**ABSENT:** Council Member(s): Sheldon

**ABSTAIN:** Council Member(s): None

  
Sarah Aquino, MAYOR

ATTEST:

  
Christa Freemantle, CITY CLERK