

Folsom City Council Staff Report

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| MEETING DATE: | 2/27/2024 |
| AGENDA SECTION: | Consent Calendar |
| SUBJECT: | Resolution No. 11176 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 046-21 21-007) with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Appropriation of Funds |
| FROM: | 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. 11176 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement (Contract No. 046-21 21-007) with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Appropriation of Funds.

BACKGROUND / ISSUE

The Environmental and Water Resources Department purchases 1-inch water meters for installation on new homes and to replace older water meters that may be reaching the end of their serviceable life. As required by State Law, water meters have been installed on all new homes since 1992, with metered rate billing for all the City’s water customers beginning in 2013. Water meters are used for water metering, water conservation and are an integral part of the water billing process.

In 2021 the City Council approved Resolution No. 10638 to execute an agreement with Badger Meter, Inc. for the purchase of 1-inch water meters. This authorization was requested to meet the anticipated demands of new residential construction and the necessary residential meter replacements. Resolution No. 10659, approved in the same year, amended the operative clause of Resolution No. 10638 authorizing the combined total not-to-exceed amount of \$330,750 per year for the five years from FY2021-22 through FY2025-26.

The resulting agreement allowed for the annual purchase of up to 1,500 1-inch water meters for new homes, to be 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. Additionally, the agreement allows for the annual purchase of up to 750 1-inch water meters for replacement of existing water meters, to be paid for out of the Water Operating Fund (Fund 520).

At the time of execution of the agreement, City staff anticipated replacing approximately 750 one-inch meters annually, while new construction required up to 1,500 new water meters installations per year. During the 3 years since execution, City staff determined that approximately 5,000 water meters which are either 5/8-inch or 3/4-inch have reached the end of their serviceable life and is proposing to proactively replace these smaller meters with new 1-inch meters to better serve customers.

This resolution will authorize the City Manager to execute Amendment No. 1 to the agreement (Contract No. 046-21 21-007) with Badger Meter, Inc. for the Purchase of 1-inch meters and appropriation of funds.

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

The city currently has approximately 5,000 installed water meters which are either 5/8-inch or 3/4-inch. These meters are reaching the end of their serviceable life and the staff proposes to proactively replace these meters with new 1" meters. The 1" meters will then meet the city's current design standards. These 5,000 meters are in addition to the number of meters approved for purchase through previous resolutions with a total replacement cost of \$910,750

This resolution will authorize the City Manager to execute an amendment to the current agreement to increase the overall number of meters to be purchased through the agreement to meet the proactive replacement program. The additional meters will be purchased using Water Operating Fund (Fund 520).

FINANCIAL IMPACT

The Environmental and Water Resources Department recommends approval of this amendment, increasing the overall agreement by \$910,750 for a new not-to-exceed total for the five-year agreement of \$2,564,500. Staff is requesting an appropriation of \$910,750 in the Water Operating Fund (Fund 520) for this amendment. Sufficient funds are currently available in the Water Operating Fund (Fund 520).

ENVIRONMENTAL REVIEW

The purchase of water meters is exempt from environmental review under the California Environmental Quality Act (CEQA).

ATTACHMENTS

1. 11176 – A Resolution Authorizing the City Manager to Execute Amendment No. 1 to the Agreement with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Appropriation of Funds
2. Resolution No. 10638 – A Resolution Authorizing the City Manager to Execute an Agreement with Badger Meter, Inc. for the Purchase of 1-Inch Water Meters and Rejecting all Bids for 1.5-Inch and 2-Inch Water Meters
3. Resolution No. 10659 – A Resolution Amending Resolution No. 10638 to Correct the Yearly Not-To-Exceed Amount of the Agreement with Badger Meter, Inc. for the Purchase of 1-inch Water Meters

Submitted,

Marcus Yasutake, Director
ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT

ATTACHMENT 1

RESOLUTION NO. 11176

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE AGREEMENT (CONTRACT NO. 046-21 21-007) WITH BADGER METER, INC. FOR THE PURCHASE OF 1-INCH WATER METERS AND APPROPRIATION OF FUNDS

WHEREAS, staff has identified the need to purchase water meters for installing on new homes as required by State Law and to replace older water meters that may be reaching the end of their serviceable life; and

WHEREAS, through Resolution No. 10638 and Resolution No. 10659 authorization was provided to execute an agreement with Badger Meter Inc. for the annual purchase of 1,500 1-inch meters for the five years from FY2021-22 through FY2025-26; and

WHEREAS, funding for the agreement was split between funds, with one-third from the Water Operating Fund (Fund 520) for replacement meters and two-thirds from the Water Meter Fund (Fund 522) for meters to be installed at new homes; and

WHEREAS, since execution of the agreement city staff has identified a need to replace an additional 5,000 meters, to be paid for out of the Water Operating Fund (Fund 520); and

WHEREAS, Staff is requesting an appropriation of funds in the amount of \$910,750 in the Water Operating Fund (Fund 520) to pay for the additional 5,000 meters; and

WHEREAS, sufficient funds are currently available in the Water Operating Fund (Fund 520) for the appropriation; 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 21-007) with Badger Meter, Inc. for \$910,750, for the Purchase of 1-Inch Water Meters for a new not-to-exceed total for the five-year agreement of \$2,564,500.

BE IT FURTHER RESOLVED that the Finance Director is authorized to appropriate \$910,750 in the Water Operating Fund (Fund 520) for this amendment.

PASSED AND ADOPTED this 27th 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. 10638

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO
EXECUTE AN AGREEMENT WITH BADGER METER, INC. FOR
THE PURCHASE OF 1-INCH WATER METERS AND REJECTING ALL BIDS
FOR 1.5-INCH AND 2-INCH WATER METERS**

WHEREAS, staff has identified the need to purchase water meters for installing on new homes as required by State Law and to replace older water meters that may be reaching the end of their serviceable life; and

WHEREAS, a Request for Proposals (“RFP”) for 1-inch, 1.5-inch, and 2-inch water meters were issued on March 28, 2021; and

WHEREAS, Zenner USA submitted a non-responsive low bid for the 1-inch water meter that does not meet the City’s specifications in the RFP; and

WHEREAS, Badger Meter, Inc. submitted the lowest responsive, responsible bid that met required specification for the 1-inch meters, opened on April 13, 2021; and

WHEREAS, based on the City need of a more comprehensive meter bid to encompass multiple meter styles and technologies to meet operational needs, staff requests rejection of all 1.5-inch and 2-inch bids so a new request for bids, including large water meters up to 12-inch, can be issued; and

WHEREAS, funds will be made available in the Water Meter Fund (Fund 522) for \$220,500 per year for the next five fiscal years; and

WHEREAS, funds will be made available in the Water Operating Fund (Fund 520) for \$110,250 per year for the next five fiscal years; and

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

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that the low bid for 1-inch water meter submitted by Zenner USA is hereby rejected as being non-responsive to the City’s specifications in the RFP.

BE IT FURTHER RESOLVED that the City Manager is authorized to execute an agreement with Badger Meter, Inc. for the purchase of 1-inch water meters not to exceed \$110,250 per year for 5 years.

BE IT FURTHER RESOLVED that all bids received in response to the RFP for 1.5-inch and 2-inch water meters are hereby rejected.

PASSED AND ADOPTED this 8th day of June 2021, by the following roll-call vote:

AYES: Councilmember(s): Rodriguez, Aquino, Chalamcherla, Howell, Kozlowski


NOES: Councilmember(s): None

ABSENT: Councilmember(s): None

ABSTAIN: Councilmember(s): None


Michael D. Kozlowski, MAYOR

ATTEST:


Christa Freemantle, CITY CLERK

ATTACHMENT 3

RESOLUTION NO. 10659

A RESOLUTION AMENDING RESOLUTION NO. 10638 TO CORRECT THE YEARLY NOT-TO-EXCEED AMOUNT OF THE AGREEMENT WITH BADGER METER, INC. FOR THE PURCHASE OF 1-INCH WATER METERS

WHEREAS, staff has identified the need to purchase water meters for installing on new homes as required by State Law and to replace older water meters that may be reaching the end of their serviceable life; and

WHEREAS, a Request for Proposals (“RFP”) for 1-inch, 1.5-inch, and 2-inch water meters were issued on March 28, 2021; and

WHEREAS, Badger Meter, Inc. submitted the lowest responsive, responsible bid that met required specification for the 1-inch meters, opened on April 13, 2021; and

WHEREAS, funds will be made available in the Water Meter Fund (Fund 522) for \$220,500 per year for the next five fiscal years; and

WHEREAS, funds will be made available in the Water Operating Fund (Fund 520) for \$110,250 per year for the next five fiscal years; and

WHEREAS, these meters are to be purchased using funds from the Water Meter Fund (Fund 522) and the Water Operating Fund (Fund 520) for the total no-to-exceed amount of \$330,750 per year; and

WHEREAS, the City Council adopted Resolution No. 10638 on June 8, 2021 approving an agreement with Badger Meter, Inc. for the purchase of 1-inch meters; and

WHEREAS, City staff has identified the need to correct the yearly not-to-exceed amount stated in the operative clause of Resolution No. 10638 which includes the amount to be funded by Fund 520 but omits the amount to be funded by Fund 522.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Folsom that Resolution No. 10638 is hereby amended to correct the yearly not-to-exceed amount of the agreement with Badger Meter, inc. for the purchase of 1-inch water meters in the amount of \$110,250 from the Water Operating Fund (Fund 520) and \$220,500 from Water Meter Fund (Fund 522) for a total not to exceed amount of \$330,750.

PASSED AND ADOPTED this 13th day of July 2021 by the following roll-call vote:

AYES: Councilmembers: Chalamcherla, Howell, Rodriguez, Aquino, Kozlowski

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ABSTAIN: Councilmembers: None



Michael D. Kozlowski, MAYOR

ATTEST:



Christa Freemantle, CITY CLERK