



Folsom City Council Staff Report

MEETING DATE:	8/12/2025
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11439 – A Resolution Authorizing the City Manager to Execute an Agreement with MARS Company for \$198,875 from the Water Operating Fund (Fund 520) for a Software License and Maintenance Subscription for the Meter Test Bench
FROM:	Environmental and Water Resources Department

RECOMMENDATION / CITY COUNCIL ACTION

The Environmental and Water Resources Department recommends the City Council pass and adopt Resolution No. 11439 – A Resolution Authorizing the City Manager to Execute an Agreement with MARS Company for \$198,875 from the Water Operating Fund (Fund 520) for a Software License and Maintenance Subscription for the Meter Test Bench.

BACKGROUND / ISSUE

To comply with state law, the City of Folsom was required to install water meters on all residential water services by January 2013 and begin billing customers based on consumption by March 2013. To support the successful implementation of this citywide metering program, the City established the Water Meter Division in 2007.

The Water Meter Division is responsible for a wide range of operational activities, including the installation and replacement of meters, meter reading, maintenance and repair, billing support, customer service, management of the City's fixed network system, and staff training.

To support meter accuracy and performance, the City purchased a MARS Company small meter test bench in 2019, which was installed in 2020 at the Zone 4 FPA pump station. The test bench is used to evaluate a sample set of both new and in-service small meters (5/8" to 2") to ensure they meet American Water Works Association (AWWA) and manufacturer specifications.

Accurate metering is essential for reliable billing, water loss control, and regulatory reporting. To maintain the performance and compliance of the test bench, annual software license renewal, calibration, and certification are required.

POLICY / RULE

In accordance with Chapter 2.36 of the Folsom Municipal Code, supplies, equipment, services, and construction with a value of \$75,049 or greater shall be awarded by City Council.

ANALYSIS

The Environmental and Water Resources Department has operated a MARS meter test bench since 2020 to support the City's water meter testing and verification program. To ensure continued accuracy and compliance with American Water Works Association (AWWA) and manufacturer standards, the test bench requires annual software licensing, calibration, and certification.

As part of a Water Loss Control Program evaluation completed in 2023, there were several recommendations provided by the consultant related to water meter testing. This included a small customer meter testing program using the MARS meter test bench to complete the following:

1. Inform an updated apparent loss assessment for the annual American Water Works Association water audit and provide documentation to submit to the State Water Resources Control Board.
2. Help identify potential replacement opportunities for poorly performing groups of meters. As an example, the City of Folsom has some active small meters that are older than 25 years, and testing might help evaluate the business case for replacing these meters.

MARS Company offers a five-year service agreement that includes the M3 software license, equipment calibration, and certification services. Entering into a multi-year agreement provides a cost-effective alternative to annual renewals, resulting in substantial long-term savings.

The proposed agreement includes annual costs of \$41,110 in year one, \$37,709 in year two, \$38,841 in year three, \$40,007 in year four, and \$41,208 in year five. The total five-year cost is \$198,875, representing a savings of \$123,809 compared to purchasing these services individually each year.

The Environmental and Water Resources Department recommends that the City Council authorize the City Manager to execute an agreement with MARS Company for a 5 year software license and maintenance subscription for the meter test bench in the amount of \$198,875.

FINANCIAL IMPACT

The Software License and Maintenance Subscription for the meter test bench is for an amount not to exceed \$41,110 for FY 2025-26; \$37,709 for FY2026-27; \$38,841 for FY27-28; \$40,007 for FY28-29; and \$41,208 for FY29-30. Funding for this agreement is included in the Fiscal Year

2025-26 Operating Budget under the Water Operating Fund (Fund 520). It is also planned to be included in the Water Operating Fund (Fund 520) budgets for FY 2026-27 through FY2029-30 as part of the annual budgeting process. This agreement will cover the 5 year service agreement for a total not to exceed amount of \$198,875.

ENVIRONMENTAL REVIEW

This action is exempt from environmental review under the California Environmental Quality Act Section 15301.

ATTACHMENT

Resolution No. 11439 – A Resolution Authorizing the City Manager to Execute an Agreement with MARS Company for \$198,875 from the Water Operating Fund (Fund 520) for a Software License and Maintenance Subscription for the Meter Test Bench

Submitted,

Marcus Yasutake, Director

ENVIRONMENTAL AND WATER RESOURCES DEPARTMENT