



STAFF REPORT

Meeting Type: Board of Directors
Title: Contract Award for Advanced Metering Infrastructure (AMI) Equipment, Professional Services, and Software to Badger Meter, Inc. and approval of positions for AMI implementation
From: Paul Sellier, Director of Water Resources
Through: Ben Horenstein, General Manager
Meeting Date: May 26, 2026

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve three agreements with Badger Meter, Inc. for a total not to exceed amount of \$20,635,100 and authorize the General Manager to finalize and execute the agreements, as follows:

1. Equipment Purchase Agreement for the supply of meters, endpoints, and equipment not to exceed \$17,711,600
2. A 10-year Master Services Agreement for data hosting and cellular fees not to exceed \$2,823,500
3. A Professional Services Agreement not to exceed \$100,000 for training and integration of Badger AMI data with District enterprise software such as SAP

Approve the recruitment and hiring of two limited term Meter Reader & Repair Workers for the implementation of the AMI project

SUMMARY: Following a competitive Request for Proposal (RFP) process, staff has selected Badger Meter, Inc. as the best AMI equipment vendor for the District based on technical qualifications, project approach, system functionality, experience, implementation schedule, and total 15-year life cycle cost. In addition, staff is proposing to add two limited-term Meter Reader & Repair Worker positions to assist with the installation of AMI meters.

DISCUSSION: In December 2025, the District issued a Request for Proposal for an AMI solution (equipment and software) to modernize the District's metering infrastructure and improve operational efficiency, customer service, water loss management, and data accessibility. The RFP was distributed to qualified AMI vendors and resulted in proposals from nine firms. An evaluation committee reviewed the proposals and selected three firms for short-list presentations and final evaluation.

The evaluation process considered five criteria: (1) Response to technical requirements, (2) Feasibility of the system based on proposed equipment and network design; (3) Total 15-year cost of equipment, software and services; (4) Experience of vendor, proposed staff and references for comparable equipment and services; and (5) Overall RFP response and document completeness. While a total of nine proposals were received, four dropped out due to feasibility associated with the need for antennae or had a critical flaw such as a proposed meter that could not fit within many of the District’s meter boxes due to vertical clearance limitations. Of the proposals that were selected for the shortlist, Badger Meter, Inc. unanimously received the highest overall score based on the project criteria including lowest life cycle cost and was determined as the best solution for the District. Staff found Badger’s proposed solution to be responsive to the District’s criteria including operational and technical requirements and demonstrated successful experience implementing similar AMI systems for public water agencies of comparable size and complexity.

The Badger Equipment Purchase Agreement includes pricing that escalates over the first four years based on the consumer price index or CPI-U. Beyond year 4 there are additional potential increases in pricing based on CPI-U plus 5%, however Badger Meter would need to justify increases in cost beyond CPI-U based on actual cost increases incurred by Badger. In determining the cost of equipment, staff assumed a flat 4% increase in equipment costs over eight years of AMI installation and that is basis for the \$17,711,600 for equipment purchases. It is possible that costs for the equipment may be less if the project is completed more quickly or conversely exceed the Board authorization if inflation exceeds the annual 4% estimate and staff will return to the Board for additional authorization in that scenario. The Master Services Agreement contains a 1-cent per month per meter endpoint increase starting in year 5 in the unit cost of cellular data and staff is seeking Board authorization assuming this increase occurs. The Professional Services Agreement is not subject to escalators and intended to provide an allowance for services that the District will need in the short-term and as AMI is integrated into the Districts’ new ERP system.

Total project costs for the AMI project include the Badger equipment and services, and limited-term staffing costs described above. However, there are other project costs that will be required to complete the project including a renewal of the Badger Master Services Agreement (years 11-15), the purchase of new meter box lids to accommodate the new AMI endpoints and significant outreach to our customers. Staff will return to the Board for approval of any of these additional items requiring Board approval. The total project cost estimate including these items is approximately \$27.7M and presented in the table below.

Item	Cost
Badger Contracts	\$20,635,100
Master Services Agreement (years 11-15, future contract) - Estimated	\$2, 392, 860
Implementation Expenses <ul style="list-style-type: none"> • 2 Limited Term Staff & Dedicated Trucks • Public Outreach 	\$2,630, 000
Meter Lids	\$2,030,000
Total Project Cost	\$27, 687, 960

Implementation of the AMI project is expected to occur over approximately 6-8 years and will be coordinated to increase the total volume of metered water as quickly as possible with the goal of achieving 60% of billed water via AMI meters within 3 years, while minimizing impacts to customers and District operations. The proposed AMI system will improve meter reading efficiency, enhance leak detection capabilities, provide more timely usage information to customers, reduce manual field activities, and support long-term water management objectives. Funding for the project is included in the adopted Capital Improvement Program and annual budget.

Staff recommends that the Board approve the three new agreements with Badger Meter, Inc. and authorize the General Manager to finalize and execute the agreements and to further approve and authorize the hiring of two limited term Meter Reader & Repair Worker positions for the installation of AMI meters.

ENVIRONMENTAL REVIEW: The proposed Advanced Metering Infrastructure (AMI) Project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities). The project consists of installing and operating a cellular-based AMI system at existing water meter locations. The project does not involve expansion of existing use, construction of antenna, or changes to the District’s infrastructure footprint.



All work will occur within previously disturbed areas at existing meter locations and will consist primarily of replacing or retrofitting existing water meters and installing an endpoint (antenna) on the underside of the lid. The project will not result in significant physical changes to the environment. Accordingly, staff have determined that the project is categorically exempt from CEQA under Section 15301.

FISCAL IMPACT: The summary table below shows the cost for each contract with Badger Meter, Inc. and cost for the two limited term Meter Reader & Repair Worker positions for the project implementation period for which staff is seeking approval.

Item	Description	Budget
Equipment Purchase Agreement with Badger Meter, Inc.	Procures the AMI equipment (meters and endpoints) and ancillary devices (IR communication device, mobile data collection tablets and modules)	\$17,711,600
Master Services Agreement with Badger Meter, Inc.	10 Years of Software as a Service (Saas). Badger Meter and its cellular service aggregator and data-hosting service providers have developed a hosted, on-demand, web-based service portal to provide metering and water usage service information, communicated through a cellular network.	\$2,823,500
Professional Services Agreement with Badger Meter, Inc.	Training District Staff and AMI software integration	\$100,000
2 Limited Term Staff	2 Limited Term Meter Reader & Repair Worker positions and vehicles with	\$2,402, 198

	option for renewal during the project implementation period.	
Total		\$23,037,298

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Water Resources	 <hr/> Paul Sellier Water Resources Director	 <hr/> Ben Horenstein General Manager