



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: April 1, 2024		Subject: Resolution No. 3130 Meter Readers Rate Increase	
		Staff Member: Katherine Smith, Assistant Finance Director	
		Department: Finance	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the consent agenda.			
Recommended Language for Motion: I move to adopt the consent agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Approval of meter reading contract, rate increase, effective April 1, 2024.

EXECUTIVE SUMMARY:

The City contracts with a private firm to read water meters the last working week of each month. The readings are then supplied to the Finance Department in electronic form and used to generate the utility bills for Wilsonville residential and commercial customers.

The term of the City’s current contract is for three years, from July 1, 2021 through June 30, 2024, with the option to renew the contract for up to two additional one-year periods. This existing contract sets forth a rate of \$0.73 for each water meter read. The current contract is attached hereto as **Attachment 3**.

In February 2024, the City received notice from Metereaders, LLC, surrounding the necessity of a rate increase – from \$0.73 per water meter, to \$1.10 per water meter. See **Attachment 2**. This rate increase is attributable to; inflation, the rising cost of labor, and most notably, the rising cost of insurance to provide this service.

Metereaders, LLC has provided water meter reading services to the City since 1984, with a succession of contract renewals. The competitive market for meter reading services continues to decline as cities in the region pursue automated reading technology. As the sole source provider of manual meter reads, the Finance Department recommends adoption of this increase effective April 1, 2024, following City Council approval, exercising also a one-year extension, through June 30, 2025

Meterreaders, LLC confirms the amended rate of \$1.10 per water meter would be effective through June 30, 2025. If the City exercise its option(s) under Section 2.2 of the Contract to extend the term of this Contract until June 30, 2026, the Contractor may increase the Compensation Amount based on the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U): West – Size Class A, all items index, not seasonally adjusted, for the most recently reported twelve (12) month period as of June 1, 2025. Contractor waives any right to request a contract amendment to increase the Compensation Amount prior to June 30, 2025.

EXPECTED RESULTS:

Adopt Contract 210971 to reflect the price increase at April 1, 2024, exercising also a one-year extension, through June 30, 2025.

TIMELINE:

The amended contract would extend the contract through June 30, 2025, with the option to renew the contract for an additional one-year period.

CURRENT YEAR BUDGET IMPACTS:

For fiscal year 2023-2024, staff budgeted \$64,000 for these meter reads. A rate increase effective April 1, 2024, following City Council approval, would increase this by \$14,000, to \$78,000, split between the Water and Sewer funds. For the duration of fiscal year 2024-2025, we anticipate this to increase to \$98,000 which will be include in the proposed budget.

COMMUNITY INVOLVEMENT PROCESS:

N/A

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

This agreement will allow the monthly utility billing process to continue in a timely and effective manner. Rates to citizens will remain the same at this time.

ALTERNATIVES:

Pursue investment upgrade strategy to an automated meter reader technology, which would allow for remote reads.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3130
 - A. First Amendment to Meter Reading Services Contract – Contract 210971
2. Notice of Rate Increase
3. Contract 210970