



CITY OF LE SUEUR
REQUEST FOR COUNCIL ACTION

TO: Mayor and City Council

FROM: Richard Kucera, Public Services Director
Jasper Kruggel, City Administrator

SUBJECT: Water & Electric Metering Equipment

DATE: For the City Council Meeting of Monday, January 28, 2019

PURPOSE/ACTION REQUESTED

Consider approval to order Sensus water and electric meters and Elster water and electric meters and associated equipment to implement an Advanced Metering Infrastructure (AMI) and advertise for bids for installation of the equipment.

SUMMARY

The City will be replacing all electric meters, water meters up to and including 1 ½", and associated equipment. This will allow for enhanced management of supply and demand, improved data quality and increased customer intelligence of their usages.

Enhanced management of supply and demand with AMI improves the process of managing demand for natural resources. The demand management savings are certainly well- documented. These savings result from selective load control, where the utility or the customer (manually or automatically) schedules a time to use energy (e.g., scheduling the dishwasher to run during off-peak hours). If specific capacity constraints exist, utilities can offer customers near real-time price incentives to reduce consumption. This leveling of demand, in turn, allows for greater management of the supply. This impact of more accurate management of peak loads can mean substantial improvements in the high costs of buying electricity on the open market where electricity costs might be two to three times higher than normal.

With improved data quality, automated, remote data collection streamlines the back-office processing for billing, asset management, and outage management. Machine-to-machine data transfers increase the quality of data collected by eliminating misreads, transcription errors and data recording errors. With AMI, it is no longer necessary to manually access "hard to reach" meters or reschedule meter readings. Improved data integrity eliminates the need to investigate, correct and reissue disputed bills. This increase in meter reading accuracy significantly reduces billing errors and customer disputes.

Increased customer intelligence with AMI: Without AMI, most electric bills simply provide consumers with a rate and total usage. AMI provides utility companies with the opportunity to increase customer satisfaction and consumer confidence by providing a greater level of detail on the customer's energy usage. AMI technology offers utility companies valuable insight into customer usage, including consumption behavior, effects of external variables and outages. Both

the customer and the utility are able to find out how electricity is used within the home. The knowledge of the customer's usage improves the call center agent's ability to work with a customer to understand his or her bill, which in turn increases customer confidence in the billing process. Those who take the time to understand their usage can be rewarded with lower energy bills. The overall result is improved quality of service.

PURPOSE/ACTION REQUESTED

Staff is requesting that the City Council authorize staff to order the new water and electric metering equipment and to advertise for bids for the installation of the equipment.



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Date: January 23, 2019

To: Honorable Mayor and City Council
Jasper Kruggel, City Administrator
Rich Kucera, Public Services Director

From: Cory Bienfang, P.E.

Subject: Water & Electric Meter Replacement Project
City of Le Sueur, MN

I have met with City staff to review the proposed City wide meter upgrade project planned for completion in 2019. The purpose of the project is to establish an Advanced Metering Infrastructure (AMI) system capable of reading individual water and electric meters from a fixed base radio frequency system. A fully operational AMI system requires multiple components, including but not limited to, the radio frequency equipment consisting of base stations and antennas, the physical meter and radio module, and corresponding software and hardware for two-way communication and interface with the City's utility billing software. The primary goal of this AMI project is to provide better customer service, greater data accuracy, and reduced operational costs.

After extensive research, the City has selected the desired meter manufacturer and model for both the new electric and water meters. The selected water meters for sizes up to 1" and all single phase electric services will be manufactured by Sensus. Elster meters by Honeywell have been selected for water meters sized 1 1/2" or larger and all three phase electric services. City staff is currently negotiating with a local supplier of both meters in order to purchase the new meters direct, under a multi-year purchase agreement. This option would provide significant cost savings for the City, through tax exemption and avoided contractor mark-ups, along with available financing options for incremental payments. City staff believe these two manufacturers provide the most reliable meters, totaling greater than 4,000 meters for this project, trusted to service the City and its utility customers well into the future.

City staff are aware that purchasing the replacement meters is just the first step and that installation into the utility system will be a significant undertaking. Based on this staff is requesting Council authorization to advertise for competitive bids for the labor to install the new meters and remove/dispose of the old ones. The proposed contract would also include specific instructions on the required notification and appointment process for individual property access, documentation with pictures before and after installation, and daily log reports for tracking progress. Bolton & Menk has been requested to assist staff to prepare this bid package and the goal is to have successfully solicited bids in order to allow for a recommendation of contract award at the last City Council meeting in February.

City staff understands that replacing all of the City's water and electrical meters is a large undertaking, however recognize that an efficient and well-maintained system is essential to ensure proper collection of use charges and rate stability for all customers.

If you need more information or wish to discuss this further, feel free to call me at (507) 995-2936.