

**DATE:** January 6, 2022  
**TO:** Environmental Services Commission  
**FROM:** Chad Beck, Smart Utility Program Manager  
**SUBJECT:** Advanced Metering Infrastructure Project Update

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## **ACTION REQUIRED**

No action by the Commission is required. This is an informational update on the Advanced Metering Infrastructure (AMI) project. We will update the Commission on two elements related to the AMI project:

1. Project Update
2. Non-Communicating Meter Service Program ('Opt-Out')

## **BACKGROUND / ANALYSIS**

### **1. Project Update**

Bellevue Utilities, in partnership with our contractor Itron Inc., have made significant progress on the AMI project. Since April 2021, Itron has replaced approximately 21,000 or 52% of Bellevue Utilities' meters with new digital meters. Additionally, Itron completed functional testing of 48 new cellular transmitter 'beta' prototypes connected to Bellevue Utilities customer meters, providing valuable verification of cellular network performance and remote meter reading capabilities.

In June 2021, Itron Inc. notified the City of Bellevue that delivery and installation of the cellular transmitters would be delayed due to supply chain constraints. Overseas factories that supply microprocessors used in the cellular transmitters suspended production several times due to COVID-19. Consequently, the cellular transmitters are anticipated to arrive in the City of Bellevue in late January, five months later than originally scheduled.

To mitigate the effects of this delay on the AMI project, Bellevue Utilities coordinated with Itron to continue installation of meters without transmitters until the cellular transmitters are available. Consequently, Itron will accelerate the planned installation of transmitters for the remainder of the project to finish by summer of 2022.

### **2. Non-Communicating Water Meter Service Program ('Opt-Out')**

The City's new water meter standard consists of a new digital meter connected to a cellular transmitter. A small number of single-family residential customers have requested the City not install cellular transmitters at their premises. Doing so would result in a non-communicating meter service—a deviation from the new water meter standard—and would eliminate the considerable benefits customers receive from a smart water meter. These benefits include customer access to near real-time water consumption data, automatic alerts for potential leaks and backflow events, and coverage under Utilities Leak Adjustment Policy.

In May 2021, staff briefed the Commission on the proposed Non-Communicating Water Meter Service Program. Designed as a transitional exception, this program gives current single-family residential customers the ability to 'opt-out' from having the cellular transmitter installed on their meter. Under the program, customers who 'opt-out' would be required to pay related fees for application processing, equipment

removal/reinstallation, and manual meter reading at their property. These fees would allow Utilities to recoup the costs for providing a non-communicating meter service. Additionally, customers choosing to 'opt-out' would not be eligible for water leak adjustments since these customers are choosing to forgo the available tools for early leak detection.

At its May 2021 meeting, the Commission recommended that Utilities consider *not* offering this program for the following reasons:

- This program was only requested by a relatively small number of customers (less than 0.1%).
- This program would be contrary to the goals of the AMI project.
- Digital meters and cellular transmitters are widely accepted throughout the water utility industry and are certified for use by the applicable regulatory agencies.
- Other water utilities in Washington do not typically offer their customers the option to 'opt-out' of AMI.

The Commission further recommended that if the Utility chooses to offer this program, all associated costs should be recouped from participating customers. Staff understand and appreciate the Commission's thoughtful review and feedback.

Since that meeting, the Utility and the City Council have received comments from a number of customers regarding their concerns on cellular transmitters. After much consideration, the Utility has determined that it is prudent to offer the opt-out program for a select few customers. This program is a transitional exception that provides this service until the current resident vacates the premise. All meters will eventually receive cellular transmitters. Utilities proposes to recoup the cost associated with this exception from those customers who chose to opt-out.

Due to the relatively small number of customers anticipated to request this option, staff have determined that this program will not significantly inhibit the goals of the AMI project and Smart City vision.

On February 7, staff will brief the City Council on the planned Non-Communicating Meter Service Program followed by a subsequent program fee schedule for Council approval.

### **POLICY ISSUES**

Utilities Leak Adjustment Policy: The City provides a one-time bill adjustment for qualified customers experiencing a leak in their buried domestic and/or fire service line. Customers who chose to opt-out of the standard water meter and forgo a cellular transmitter will not be eligible for the leak adjustment.

### **FISCAL IMPACT**

There is no net fiscal impact for the planned non-standard meter service. The costs for this service are proposed to be recouped from program participants.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

None.