

CITY COUNCIL STUDY SESSION

Advanced Metering Infrastructure (AMI) project update and Non-Communicating Water Meter Service Program.

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Utilities Department

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Staff will provide an update on the AMI project and planned Non-Communicating Water Meter Service Program (also referred to as the “opt-out” option).

Council approval is needed to implement fees to be paid by customers opting out of AMI to cover program costs. Staff seeks direction to return with appropriate legislation to adopt the proposed program fees.

RECOMMENDATION

Direct staff to return with legislation for consideration at a future meeting to adopt Non-Communicating Water Meter Service Program fees.

BACKGROUND & ANALYSIS**Project Update**

The AMI or “Smart Water Meter” system was approved by Council as part of the Utilities Department 2017-2023 Capital Investment Program budget.

The benefits of the AMI system to our customers are access to near real-time water consumption data to better manage usage and early leak detection. AMI will also allow the Utility to better manage water quality, optimize operational costs, and reduce our carbon footprint.

Itron, Inc. was selected as the AMI vendor in December 2018. In December 2019, Council approved a technology change from a radio meter transmitter to a cellular network solution. The cellular solution is a next-generation technology and removes the need for the City to build and operate its own collector network.

Significant progress has been made on the AMI project. Itron has replaced approximately 22,000 (55 percent) of Bellevue’s meters with new digital meters. Itron has also completed functional testing of 48 new cellular transmitters connected to existing Bellevue Utilities customer meters, providing valuable verification of cellular network performance and remote meter reading capabilities. Additionally, the City is in the process of implementing a new web portal to provide customers with access to near real-time water consumption data by this fall.

Nonetheless, there have been delays. Specifically, the delivery of a first shipment of cellular transmitters by August 2021. These transmitters are now expected to be delivered at the end of February 2022 – a delay of six months.

To mitigate the effects of this delay, the City continues to work closely with Itron. Per Itron's request, the City has authorized increased installation rates for meters and transmitters. Itron continues to work toward the goal of completing installation of all meters and transmitters by Summer 2022.

Non-Communicating Water Meter Service Program ("Opt-Out")

With AMI, the City's new water meter standard consists of a new digital meter connected to a cellular transmitter. Digital meters and cellular transmitters are widely accepted throughout the water utility industry and are certified for use by the applicable regulatory agencies.

A small number of single-family residential customers have requested that the City not install cellular transmitters at their premises due to perceived health or privacy concerns, and thus prefer to opt-out of AMI. This is a deviation from the new standard water meter and would eliminate the considerable benefits customers receive from a smart water meter. These benefits include near real-time access to water consumption data and alerts for early leak detection.

As a courtesy to these customers, the Utility has developed a temporary AMI opt-out program. The program is designed to be a transitional exception and will be phased out after five years. This program gives current single-family residential customers the ability to opt-out from having the cellular transmitter installed on their meter. Customers wishing to opt-out must apply for this exception during the AMI project implementation period. Customers who chose to opt-out are required to pay fees for application processing, transmitter removal/re-installation, and manual meter reading at their property. Additionally, customers choosing to opt-out would not be eligible for water leak bill adjustments since these customers are choosing to forgo the available tools for early leak detection.

To date, about 50 customers have requested information on an opt-out program. Given the low number of participants and the limited duration of the opt-out program, staff have determined that this program will not significantly compromise the goals of the AMI project and Smart City vision in the short term.

Environmental Services Commission Review

Staff reviewed the opt-out program, including the fee structure, with the Environmental Services Commission at its May 2021 and January 2022 meetings. After careful consideration, the Commission recommends that Utilities not offer this program for the following reasons:

- This program was only requested by a relatively small number of customers.
- 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 ability to opt-out of AMI.

Staff appreciate the Commission's thoughtful review and feedback. After much consideration, the Utility has determined that it is prudent to offer the opt-out program for a limited time period.

On February 7, staff will brief the Council on the proposed program and will seek Council direction

regarding the below proposed customer fees for the AML opt-out program.

Fee Description	Fee Amount
<i>One-time application/processing fee</i> <i>- Application review, coordination with customer</i> <i>- Modify customer billing system</i> <i>- Coordination with installers and field staff</i> <i>- Future installation of transmitter</i>	<i>\$80</i>
<i>One-time transmitter removal fee (waived if transmitter not yet installed)</i>	<i>\$30</i>
<i>Recurring manual meter-reading fee</i>	<i>\$15 per read</i>

POLICY & FISCAL IMPACTS

Policy Impact

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 water service line. Customers who choose to opt-out of AML will not be eligible for leak adjustments under this policy.

Fiscal Impact

There is no net fiscal impact for the proposed AML opt-out program. The costs for this service are proposed to be recouped from program participants.

OPTIONS

1. Direct staff to return with legislation for consideration at a future meeting to adopt Non-Communicating Water Meter Service Program fees.
2. Provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Environmental Services Commission Recommendation

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N/A