



DATE: February 8, 2021
TO: Mayor Robinson and City Councilmembers
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Utilities Department
SUBJECT: AMI Project Update

This briefing provides an update on the AMI project status, including work completed in 2020, COVID project adjustments, and planned work for 2021. No council action is required.

Background

On December 5, 2016, the City Council approved \$23.089M in capital funding for an AMI or “Smart Water Meter” system as a part of the Utilities Department 2017-2023 Capital Investment Program (CIP) budget. Staff then conducted the procurement process, and selected Itron, Inc. On December 10, 2018, Council passed Resolution No. 9511 authorizing execution of an agreement with Itron for equipment and services (excluding the customer portal) for the deployment of an AMI in an amount not to exceed \$20.2M, plus all applicable taxes, for a 20-year term.

On December 2, 2019, the City council passed Resolution No. 9692, authorizing Amendment #1 to the Itron contract. This amendment modified the smart meter approach from a series of collectors to a cellular installation and modified the contract value from \$20.2M, plus all applicable taxes, to \$21.1M. Cellular technology is a next-generation technology and removed the need for the City to build and operate our own collector network.

Update

COVID has presented a few challenges to the AMI project schedule in 2020. Throughout the past year, laboratory and production facilities have faced intermittent shutdowns and closures, which in turn has complicated Itron’s ability to procure cellular transmitters. The good news is that even though we are sliding our start date for transmitters out by approximately six months, we have developed a workable strategy to compress our installation schedule and keep the end date near mid-2022 as envisioned in Amendment #1.

Some work products were able to proceed as planned despite the challenges presented in 2020. In Amendment #1, the project shuffled the schedule to complete commercial meter installations ahead of transmitters in 2020. This work was able to proceed in a safe manner and over 90 percent of commercial meters were installed in 2020 with no customer calls or complaints related to meter installation.

Staff is currently completing an amendment to the contract and will be bringing this amendment to Council under the consent agenda in the coming weeks. While this is a no-cost amendment, there are a few contractual changes to facilitate the revised and compressed schedule and allows our project to proceed with approximately 10,000 early residential meter exchanges. Our vendor will begin installing previously procured meters without transmitters, similar to the commercial installations completed in 2020. Additionally, this new amendment will have the City work with the vendor on some limited early testing of transmitters prior to mass deployment. These schedule modifications will mitigate the delays and help keep the end date of the project consistent with past reports near mid-2022.