



Utilities Department

MEMO

TO: HONORABLE MAYOR AND CITY COUNCIL
 FROM: STEVE POTTER, CITY MANAGER
 CC: PHIL BRUN, UTILITIES DIRECTOR
 DATE: July 23, 2024
 SUBJECT: WRITTEN DETERMINATION TO AMEND AN EXISTING CONTRACT FOR FISCAL YEAR 2024 AND ENTER INTO A NEW CONTRACT FOR FISCAL YEAR 2025 WITH BADGER METER, INC. FOR WATER UTILITY METER EQUIPMENT PURSUANT TO NAPA MUNICIPAL CODE SECTION 2.91.050

Per **NMC 2.91.050**, the City may enter into a contract for a "specialty item," provided that the City Manager makes a written determination of the following:

1. Project need which the City intends to satisfy through the contract for the specialty item.

Purchase of water service meters required to measure and record the volume of potable water supplied to customers throughout the service area. It is essential that the data collected is accurate, as the basis for water billing, ensuring reliable compensation for water usage, and effective customer service. City staff is deployed daily to monitor, maintain, and repair water meter equipment, read, record, and transmit data to our Finance Department for accurate customer billing.

Water service meters are needed for installation of new water meters associated with new development projects, and for periodic small and large meter replacements when repairs are no longer possible. Aging water meters require significant staff time to repair, and result in lost revenue to the Water Enterprise Fund.

2. The types of property or service which are available (or used by other similarly situated private or public agencies) to meet this need (or similar needs), and the contractors which are available to provide the property or service.

Residential one-inch meters are the most common service connection in our system, composing 90% of all service meters. The 20-year life span of the nearly 23,000 meters in the system results in periodic testing to ensure accuracy. At this point, existing Badger water meters are meeting and exceeding the estimated lifespan throughout the service

area.

Over the years, City has assessed a variety of types of meters supplied by multiple manufacturers including Neptune, Sensus, and Badger, and has surveyed the experiences of other agencies affiliated with the American Water Works Association who have implemented products of competing manufacturers. City has invested years of installation of these meters, thereby standardized as the default meter used throughout the service area.

3. The reasons why it is impracticable for a similar service to meet the City's needs (including considerations of compatibility with other City property and services regarding maintenance, repair, training, quality, price, or similar considerations); or why the City's needs can only be met by one unique or proprietary type of service (the specialty item).

Badger manufactured meters now comprise approximately 95% of all water meters currently used in the City's service area. The City's water meter testing program demonstrates performance beyond anticipated life expectancy and provides accurate readings for the City's needs. Staff is familiar with this meter, as well as with replacement of registers, and minor repairs. There are efficiencies gained in maintaining consistency across this number of assets in the water system and needing to maintain only one manufacturer set of inventory for parts and repairs, and especially ensuring there is compatibility with our existing Encoder Receiver Transmitters (ERTs) already installed throughout the service area.

City has invested in the automated meter reading (AMR) program to greatly improve the efficiency of water meter reading that is performed every 2-month billing cycle. AMR Program includes the installation of ERT modules on each meter. The ERT modules transmit data to a hand-held electronic device in a fraction of the time than is required to manually open each individual meter box and read the meter. City uses ERTs manufactured by Itron® because they are compatible with our existing Badger meters and have proven to be reliable along with the Itron® hand-held devices needed to collect the data. City has now completed the installation of over 25,500 ERT modules at each service connection, a big step toward full automated meter reading.

The use of these specific combination of items has resulted in reduced staff time required to change out inaccurate meters, reduced need for staff training to maintain familiarity with multiple products, and the elimination of duplicate inventories of manufacturers' parts including chambers and registers to service and rebuild multiple types of meters.

Badger Meter, Inc. is the local Northern California supplier and as such can provide same-day delivery, if needed.

4. By entering into a contract for the specialty item from the proposed contractor, the City will meet the purpose and goals identified in NMC Section 2.91.010.

For the reasons stated above, amending existing contract for Fiscal Year 2024 and entering into a new contract for Fiscal Year 2025 with Badger Meter, Inc. for the aforementioned items will ensure the most cost-effective result for the City and meet the purpose and goals of NMC Section 2.91.010.

5. The contract complies with the requirements of NMC Section 2.91.030(B).

Pursuant to NMC Section 2.91.030(B)(2), (a) will be approved as to form by the City Attorney, (b) as determined by the City Auditor, there are sufficient unencumbered funds to cover the cost of the contract, and (c) upon approval by the City Council of the recommended action for the meeting of August 6, 2024, the City Council will have delegated authority to the City Manager's designee, the Utilities Director, to amend the existing, and approve the proposed contract with Badger Meter, Inc.