



STAFF REPORT

DATE: 7/17/2018
REGULAR
ITEM #: 26
MOTION

TO: City Council
FROM: Rob Weldon, Public Works Director
AGENDA ITEM: Water Meter Replacement
REVIEWED BY: Kristina Handt, City Administrator
Amy LaBelle, Accountant

BACKGROUND: The City of Lake Elmo provides water to nearly 4,000 residents through 1,300 metered connections, (2017 numbers as reported to MN-DNR). With just over 1,300-metered connections, it has been discovered that approximately 108 water meters have failed and are not recording reads that are required to create accurate quarterly billing. These accounts and quarterly water usage bills are estimated and not accurate. Many of the accounts with malfunctioning meters have been estimated for years, if not decades. In an attempt to acquire reads from malfunctioning meters Finance and Public Works have created a reading route that requires staff to enter inside residential and commercial properties to obtain meter readings manually. Implications from estimated water consumption for a large amount of meters results in improper billing and inaccurate reporting to MN-DNR for annual water usage, which could result in loss of revenue and fines levied to the city.

ISSUE BEFORE COUNCIL: Based on the recommendation of the Finance Committee, should the City Council approve the purchase of 108 water meters and recommend hiring of an independent contractor to conduct replacement of failed water meters?

PROPOSAL DETAILS/ANALYSIS: If approved by City Council, a licensed and insured independent contractor would be hired by the city to change out up to 108 water meters that exist in the city's distribution system. Some of these meters are larger volume users with meters over 1" in size. The hired contractor would be responsible for scheduling, replacement and providing data of the new meters. All of the new meters would be purchased and inventoried by the city, with failed meters being returned to the city. New meters purchased will also be compatible with the city's current radio read system.

By hiring and utilizing, an independent contractor to conduct this meter change out it is achievable to complete the replacement of the failed meters prior to 4th Quarter 2018 utility billing. An undertaking of this size, is not practical with the current staff size and work load of the Public Works and Finance/Utility Billing Departments of the city. This will also help simplify the overall utility billing process and produce more accurate numbers required for billing and annual reporting.

FISCAL IMPACT: \$43,000 meters (Included in the 2018 Water Utility Budget)
\$9,000 contractor

Total \$ 52,000 (not to exceed)

In 2017, as part of the 2018 CIP, \$47,000 was approved to purchase meters needed to complete change out of failed and old meters citywide. Contractor cost would be charged and split between both Water and Sewer Utility Budgets.

OPTIONS:

- Approve purchase of meters and contracting out replacement.
- Deny purchase of meters and contracting out replacement.
- Table for further discussion.

RECOMMENDATION:

“Motion to recommend the purchase of 108 water meters and authorize hiring of HydroCorp Inc. to conduct scheduling and replacement of new water meters.”

ATTACHMENTS:

- HydroCorp Inc. Quote
- Midwest Testing Quote
- Core and Main – Meter pricing

PROPOSAL

WATER METER REPLACEMENT SERVICES

CITY OF LAKE ELMO

3800 LAVERNE AVENUE NORTH
LAKE ELMO, MN 55402

JUNE 19TH, 2018

KEEPING DRINKING WATER SAFE FOR INDUSTRIES AND MUNICIPALITIES

For over 30 years, HydroCorp™ has been dedicated to safe drinking water for companies and communities across North America. Fortune 500 firms, metropolitan centers, utilities, small towns and businesses – all rely on HydroCorp to protect their water systems, averting backflow contamination and the acute health risks and financial liabilities it incurs.



CROSS-CONNECTION
CONTROL / BACKFLOW
PREVENTION

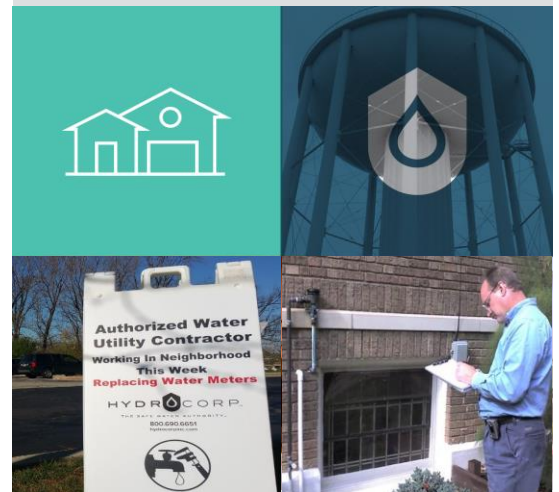
WATER SYSTEM
SURVEYS / AUDITS

PIPE SYSTEM MAPPING
AND LABELING

WATER SAMPLING
AND ANALYSIS / RISK
ASSESSMENTS

PROGRAM
AND PROJECT
MANAGEMENT

COMPLIANCE
ASSISTANCE /
DOCUMENTATION



LAKE ELMO OFFICE

8530 Eagle Point Blvd. Suite 100
Lake Elmo, MN 55402
800.315.4305 TOLL FREE

PROJECT CONSULTANT: Gary McLaren
262.951.0059 CELL
gmclaren@hydrocorpinc.com EMAIL



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1. PROJECT WORK PLAN

1.1. Goals of The Water Meter Replacement Process

- Cost effectively replace residential water meters for the City of Lake Elmo.
- Provide quality water customer care throughout the project.
- Create an accurate record of each meter replaced and new meter installed.

2. WATER CUSTOMER CARE AND ADMINISTRATION PROCESS

2.1. Template Notices

HydroCorp provides effective notification letters templates to the City for notification to home owners. Standard notice letter includes a simple website address to and toll-free phone number for meter replacement appointments. After the City sends out the postal notices to selected water customers, owners can use either online or phone method to set their specific time and day of meter replacement.

2.2. Online Appointment Website

HydroCorp coordinates water customer appointments via a secure third-party software platform which allows water customers to make their own appointment dates and times. HydroCorp also secures appointments when water customers call our toll-free appointment number and speaks with one of our full-time program administrators for appointment confirmation. Example on page 3.

2.3. Live Digital Records and Database – City Can Print When Necessary

HydroCorp utilizes Tablet Computer Systems during the meter replacement process. The Meter Technician documents all necessary existing meter details and new meter details into a digital record for each meter replaced. Digital images of each existing in place meter and new replacement meter are included within each meter record. A securely stored database is created during the entire replacement process and provided at end of project in Microsoft Excel format.



Example of Online Water Customer Appointment Portal:



HYDROCORP
THE SAFE WATER AUTHORITY

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INDUSTRIAL MUNICIPAL FEDERAL ABOUT US RESOURCES BLOG CONTACT

CITY OF HASTINGS



Since 1857
Hastings
MINNESOTA

Schedule Appointment

1225 Progress Drive, Hastings, MN 55033 | Phone 651-480-2350

Water Meter Change-Out Program

The City of Hastings has contracted with HydroCorp to install new Sensus iPeri Water Meters. Your cooperation is requested to help the process flow smoothly and assist the city in upgrading their water meter system.

Scheduling

Click on the button below to schedule an appointment and choose a convenient time for your service.

Schedule Appointment



Additional Consideration:

Check Your Valve(s): This is an appropriate time to update old shutoffs.

It's possible that, during meter replacement, an old or damaged water shutoff valve can break. If this occurs, repairs are the homeowners responsibility, not the contractor's.

✘



✔



Gate valves (left) are more likely to break during shutoff. Consider updating. Lever-handled ball-valves (right) are less likely to break after prolonged disuse.

Prior to scheduling the installation of your new meter, it is highly recommended that property owners check their existing shutoff valve for proper operation. If it the valve is not functioning properly, repairs should be made prior to the installation. A State of Minnesota Licensed Plumbing Contractor must be used to perform this service. Here are a couple of options with estimated pricing:

Your Water Meter Installation Team



Tyler Yang



Matt Hetrick



Rick Kinney

Please feel free to call our toll free number, 800-315-4305 to schedule an appointment or for any further questions or via email: info@hydrocorpinc.com



3. SCOPE OF WORK

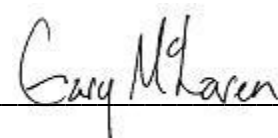
HydroCorp to provide the following services:

- A. Provide postal notification to inform selected residential water customers of required meter replacement during a specific date range specified in the letter. City shall assist in residence access if no response to appointment is made after two attempts by HydroCorp.
- C. Devise and host a dedicated website page for setting appointments with water customers at specific intervals during normal business hours. Water customers will have access to schedule their own appointments via a free and secure appointment website system. Website link to be presented on postal notices and City of Lake Elmo website. *Example: <http://www.hydrocorpinc.com/hudson/>*
- D. Provide full-time Toll Free 800 number phone support for customer questions and appointment Requests by HydroCorp Administration Staff. Direct phone contact to HydroCorp staff will be available 8:30AM–5PM, five days per week excluding holidays.
- E. HydroCorp reserves the right to determine safe operating condition of water shut off control valves prior to performing any meter replacement work. Curb stop shutoff by Utility Staff may be an option if available at a mutually agreed time between Water Utility Technician, HydroCorp Technician and Homeowner. Control valves appearing to be in questionable condition or potentially leaking/prone to failure will be required to be replaced or repaired at the cost of building owner prior to any meter upgrade work being performed by HydroCorp.
- F. Document in electronic format; relevant identification numbers and meter readings of each existing and new meter installed by HydroCorp.
- G. Electronic documentation format will be in electronic for each meter replaced.
- H. Retrieve all new meters, wiring materials, fittings and gaskets as provided by the City on a daily basis during normal working hours. Any additional materials necessary for replacements will be an additional fee. New meters will be available in a designated area at the water meter shop.
- I. Install new water meter, associated fittings and gaskets as provided by the City. Cancelled appointments will result in additional \$85 per cancellation. Additional \$85 will apply when water customer reschedules and meter is replaced.
- J. HydroCorp Technician shall verify activation of each meter installed, re-establish water supply and verify full water pressure at nearest tap for 30 seconds.
- K. Reported leaks at meter junction or service control valve within 24 hours (Monday–Friday) after meter replacement will be addressed within a 24-hour period of notification to HydroCorp.
- L. Deliver removed (old) meters and transmitters to a designated area of the water meter shop on a daily basis. City to provide all necessary equipment for signal test and activation of Sensus Meter.



4. CONTRACT PRICING

<u>Existing Meters to be replaced</u>		Unit Price:	Total Price
<u>Qty.</u>			
183	¾" Residential Meters – Sensus	\$80.00.....	\$14,640.00
1	1" Non-Residential Meter – Sensus	\$92.00.....	\$92.00
11	1 ½" Non-Residential Meter – Sensus	\$129.00.....	\$1,419.00
5	2" Non-Residential Meter – Sensus	\$230.00.....	\$1,150.00
			Total Project Price
			\$17,301.00

Signature of Person Submitting Proposal: Gary McLaren 

Company/Title: Regional Sales Manager, Minnesota Office HydroCorp

Date: June 19th, 2018

Submitted by: HydroCorp – Minnesota Regional Office | 8530 Eagle Point Blvd., Suite 100 | Lake Elmo, MN 55402

Gary McLaren | 262-951-0059 | gmlaren@hydrocorpinc.com

Accepted by:

X _____ Date _____
 City Representative (Signature)

Print Name: _____



5. BACKGROUND

5.1. The HydroCorp Promise

HydroCorp is the Safe Water Authority.™ It is our duty to provide the most precise and comprehensive technical services in the industry. It also means delivering those services with expert knowledge, professionalism, and sensitivity to budgets and schedules – the highest standard of water safety oversight, combined with the highest value.




The Result – Your water system is compliant. Your risk and exposure are reduced. Your water – and your people – are protected.

5.2. Company Overview

- Founded in 1983 and incorporated in 1988.
- The firm has grown from two employees to a staff of over 40 full time associates in multiple states. Average tenure with the company is 7 years and employee turnover is less than 10%.
- HydroCorp Conducts over 25,000 on site, Cross-Connection Control Inspections **annually**.
- HydroCorp provided Cross-Connection Control Program Management Services to over 240 communities in several states including: Michigan, Wisconsin, Delaware, Maryland, Virginia, Florida and Minnesota. We still have our first customer!
- Our highly trained staff works in an efficient manner in order to achieve maximum productivity and keep program costs affordable. We have a detailed **system** and **process** that each of our field inspectors follow in order to meet productivity and quality assurance goals.
- Our municipal inspection team is committed to providing outstanding customer service to the water users in each of the communities we serve. We teach and train customer service skills in addition to the technical skills since our team members act as representatives of the community that we service.
- Our municipal inspection team has attended training classes and received certification from the following recognized Cross Connection Control Programs: UF TREEO, UW-Madison, USC – Foundation for Cross Connection Control and Hydraulic Research, American Backflow Prevention Association (ABPA), and American Society for Sanitary Engineering (ASSE). We invest heavily in internal and external training with our team members to ensure that each Field Service and Administrative team member has the skills and abilities to meet the needs of our clients.
- Our administrative staff can answer most technical calls related to the cross-connection control program and have attended basic cross-connection control training classes.
- HydroCorp staff and company are active members in many water industry associations including:
 - American Water Works Association (AWWA) | AWWA – Wisconsin Chapter
 - National Rural Water Association (NRWA) | Wisconsin Rural Water Association
 - American Public Works Association (APWA)
- HydroCorp is not a Plumbing Company and does not utilize existing staff to perform backflow prevention assembly testing, repair or plumbing related services.



5.3. Office Address & Contact Information

Regional Office:	HydroCorp – Minnesota Office 8530 Eagle Point Blvd., Suite 100 Lake Elmo, MN	 
Contact:	Gary McLaren	
Telephone:	800.315.4305 Emergency: 262.951.0059	
Email:	gmlaren@hydrocorpinc.com	
Corporate Office: (Remit to Address)	HydroCorp – Corporate Office 5700 Crooks Rd., Ste. 100 Troy, MI 48098	
Telephone:	800.690.6651 or 248.250.5000	
Legal Status:	S-Corporation, 1988 E.I.D. 38-2810008	MN Office (Above) Corporate Office (Below)
		



6. PERSONNEL

DAVE CARDINAL | Vice President, Operations, Municipal Division

Dave has over twenty years' experience as a water professional and has a successful record of accomplishments in the cross-connection control industry. Experienced in program development, project management, developing and conducting employee education and training programs, developing and instructing State certified education and training classes, quality assurance, customer service, and client satisfaction. Experience, Training, Certifications:

- American Backflow Prevention Association (ABPA), MI Chapter, Vice President
- American Society of Sanitary Engineering (ASSE) Series 5000 Proctor
- American Society of Sanitary Engineering (ASSE) Standard #5110 Certified Backflow Prevention Assembly Tester – Certification #26905
- Michigan Certified Backflow Prevention Assembly Tester Certification – 2010, Certification #MPMCA-26905
- Dale Carnegie – Management Training for Managers 2005
- University of Florida – TREEO Center Cross-Connection Program Management Certification
- University of Southern California Foundation for Cross-Connection Control and Hydraulic Research – Backflow Prevention Assembly Tester, 1997

Scott Mitchell | *Operations Manager, Midwest Region - Municipal Division*

Scott has been a member of the HydroCorp team since 2012. Previously, he held numerous positions with West Bend Water Utility since 1986 including Plant Operator, Computer Control Supervisor, Water Superintendent and acting Water Manager. He currently oversees operational and administrative services for cross-connection control and water meter installation programs in the HydroCorp Midwest Region. Scott has had extensive training in computer science at Moraine Park Technical College in Fond du Lac, WI and has experience in PLC programming and controls systems. In addition, Scott holds the following certifications:

- WI DNR Operators Certificate – Grade 1, #21756
- WI Cross Connection Control Tester License – #1408089
- ASSE 5120 Cross Connection Control Surveyor Certification – 3056



TYLER YANG | Project Manager, Water Meter Installation, Municipal Division

Tyler manages a team of three water meter installers and oversees all water meter installation projects throughout the company. He has completed over 10,000 water meter installations of various meter manufacturers (Neptune, Kamstrup, Sensus) and previously was the lead meter installer overseeing a crew of 10 for a one of nation's leading waterworks suppliers.

Tyler takes great pride in his work and enjoys interacting with homeowners and answering any questions they may have during the change-out process. He also performs Cross-Connection Control inspections to ensure hazardous connections to drinking water supplies are eliminated.

- ASSE #5120 Certified Cross Connection Control Surveyor
- Associate's degree in Law Enforcement from Rasmussen College in Brooklyn Park, MN

Program Administration and Water Customer Care Team

Ryan Hensley Program Administration Manager 800.690.6651 ext. 5026

Nancy Essers Water Customer Appointments 800.315.4305

Sandy Redlin Program Administrator 800.690.6651 ext. 5034



7. REFERENCES –COMMERCIAL AND INDUSTRIAL PROGRAM CLIENTS

- a) City of La Crosse – Cross Connection Program & Meter Replacement Appointments
400 La Crosse St, La Crosse, WI 54601
Mark Johnson, Water Utility Manager, johnsonm@cityoflacrosse.org | 608.789.7536
- b) City of Hudson Water Utility – Meter Replacement Program
505 Third St. Hudson, WI 54106
Kip Peters, Manager kpeters@ci.hudson.wi.us | 715.386.4760
- c) City of Prescott – Meter Replacement Program
800 Borner St. Prescott, MN 54021
Hank Zwart, Superintendent, hzwart@prescottcity.org | 715.262.5544
- d) City of Glendale- Meter Replacement Program
5909 North Milwaukee River Parkway Glendale, WI 53209
Shawn Lanser, Finance Director, S.Lanser@glendale-wi.org | 414.228.1700
- e) City of Niagara, WI - Meter Replacement Program and Cross- Connection Program
1029 Roosevelt Road Niagara, WI 54151
Ron Rugg, DPW Director lwierschke@cityofniagara.org | 715.251.3235
- f) HydroCorp maintains multi-year contracts for municipal Cross-Connection Program and Potable Water Services for an additional 135 public water systems in Wisconsin. Municipal contracts are also maintained with clients in MI, DE, MD, VA, FL and MN. Complete list available upon request.
- g) HydroCorp Industrial Clients for Cross-Connection Surveying and Water Quality Compliance Services include Ford Motor Company, Fiat Chrysler Automobiles (FCA), General Motors, Honeywell. HydroCorp has conducted Cross-Connection Surveys in Wisconsin for multiple NuPage Paper Mills, Land O Lakes Dairy Plants, Del Monte Food Processing, American Foods Meat Processing and 3M Manufacturing.



8. LETTERS OF REFERENCE – EXHIBIT A



800 Borner St. Prescott, WI 54021 Phone 715-262-5544

November 10, 2016

Hydro Corp, Inc.
5700 Crooks Road, Suite 100
Troy, MI 48098

RE: Meter installations and Cross Connection Surveys

DJ Schneider
Tony Averbeck
Sandy Redlin
Nancy Essers
Tyler, Chris, Matt & Jerry,

I want to thank all of you for the work you have done and continue to do for the City of Prescott.

Our project of installing new water meters and performing cross connection surveys at the same time for all 1893 accounts in the City went extremely well. The pre-planning and appointment scheduling by Hydro Corp was key to a smooth and efficiently run project. It was evident from phone calls received at City Hall that the professional and courteous staff at Hydro Corp made it easy for our customers to help make the project run well. This was especially noticeable when we reduced the project completion time frame from 9 months to 90 days. This was possible because of the excellent way Hydro Corp planned for and performed our project with well-trained installers. While a bit hectic at times, it was worth it to have the project finished and behind us quickly. The flexibility Hydro Corp had to digitally collect extra field information for us while on site was instrumental in helping update our GIS and meter reading mapping software. I would recommend Hydro Corp to anyone contemplating a meter or cross connection program.

Sincerely,

Hank Zwart
Director of Public Works
800 Borner St
Prescott WI 54021

Midwest Testing LLC.

2091 Sorensens Rd.
Mora, MN 55051

Estimate

Date	Estimate #
6/27/2018	598

Name / Address
City of Lake Elmo 3800 Laverne Ave. No. Lake Elmo, MN 55042

Project

Description	Qty	Rate	Total
Quote- Water Meter Installation Project			
R&R of 5/8" to 1" water meter	1	67.00	67.00
R&R of 1 1/2" water meter	1	180.00	180.00
R&R of 2" water meter	1	225.00	225.00
Wire to outside of house if needed	1	25.00	25.00
Mobilization	1	1,500.00	1,500.00
Midwest Testing to supply : labor, tools, call center, hand helds for programming and an electronic file.			
Lake Elmo to supply : All water meters, radio's, gaskets, wire, hardware for 1 1/2" and larger meters, curb stops if needed and send out notices.			
Midwest Testing will not be installing any valves or replumbing if needed at the homes or businesses.			

	Subtotal	\$1,997.00
	Sales Tax (0.0%)	\$0.00
	Total	\$1,997.00



Customer: City of Lake Elmo
Location: Lake Elmo, MN
Date: 6/18/2018

Corey Luft
612-270-3148
corey.luft@coreandmain.com

Qty	Description	Unit Price	Total
Meters			
1	3/4"S iPERL Water Meter (7.5" lay length)	\$ 128.00	
1	1" iPERL Water Meter	\$ 198.00	
1	1.5" OMNI T2 Water Meter (Turbo)	\$ 850.00	
1	1.5" OMNI C2 Water Meter (Compound)	\$ 1,220.00	
1	2" OMNI T2 Water Meter (Turbo)	\$ 995.00	
1	2" OMNI C2 Water Meter (Compound)	\$ 1,390.00	
Radios			
1	510M Single Port 3 Wire SmartPoint	\$ 119.00	
Meter Couplers and Flanges			
1	3/4" Meter Coupler	\$ 8.75	
1	1"x Meter Coupler	\$ 14.50	
Pair	1.5" Meter Flange Kit (2 flanges-gaskets-bolts)	\$ 30.00	
Pair	2" Meter Flange Kit (2 flanges-gaskets-bolts)	\$ 30.00	
Total			

Pricing Good thru 12/31/2018