



STAFF REPORT

DATE: 7-18-2017
CONSENT
ITEM #: 7
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, (2016 numbers as reported to MN-DNR). Of the 1,300 metered connections, it has been discovered that 185 have water meters which 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. 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 250 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 200 water meters, (185 failed, 15 additional ageing) that exist in the city's distribution system. The hired contractor would be responsible for scheduling, replacement and data entry of the new meters. All of the new meters would be purchased and inventoried by the city, while failed meters that are removed will be 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 2017 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 utility billing in 2017 and produce more accurate numbers required for billing and annual reporting.

FISCAL IMPACT: \$56,250 meters (250)
\$12,800 contractor
\$1,000 data entry
Total \$70,050

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 250 water meters and authorize hiring of an independent contractor to conduct scheduling, replacement and data entry of new water meters.”

ATTACHMENTS:

- Price Quote/Cost Breakdown worksheet

Water Meter Replacement Quotes

Prices based on 200 meters

Meter cost for Sensus iPERL meter and radio = **\$235.00 each** **Total \$47,000**

note - this cost would be the same for Public Works or Contractor installation.

Meters would be purchased by the city and stored at Public Works

There is a price brake at 250 meters. \$225.00 each Total \$56,250

Installation Cost: (includes scheduling)

Midwest Testing = \$12,800 plus meters = **\$59,800**

Hydro Corp = \$14,980 plus meters = **\$61,980**

Utiliuse = \$16,800 plus meters = **\$63,800**

note = Data Entry can be provided by HD Supply for \$5/meter, add \$1,000 to total price.