



SOUTH FEATHER WATER & POWER

TO: Board of Directors

FROM: Michael Glaze, General Manager

DATE: April 20, 2005

**RE: Amendment of 2005 Water Division Budget – Automatic Meter Read Program
Agenda Item for 5/24/05 Board of Directors Meeting**

In 2001 the Board adopted amendments to the Rules & Regulations to specify that radio-read meters be installed when access for meter readers cannot be provided, or in new subdivisions of five or more parcels. Since then, a total of 92 radio-read meters have been installed.

Based on a careful review of the available technology at the time, decisions were made to utilize automated meters and handheld meter-reading devices manufactured and or supported by three different companies – Badger, AMCO and Trace. After several years of utilizing these products, staff began looking to the manufacturers for assistance and improvements to resolve problems primarily in the handhelds regarding manual data collection (the handhelds are used for inputting data from non-radio-read meters as well). What they found was that Badger's support of Trace is being phased out, and there is no new Trace development occurring with Badger meters. For these reasons it is necessary for us to switch to a more stable environment before investing any more resources in our current automatic meter-read (AMR) program.

For the past 16 months Water Division staff (Art Martinez, Chris Crown, George Barber and Matt Colwell) have been researching alternative AMRs. After evaluating numerous companies with long-standing reputations and state-of-the-art technology, they are recommending that we commit to an AMR system produced by Itron. Itron is the largest AMR manufacturer and has developed a system that can accommodate migrations to next-generation technologies as they are perfected. As opposed to the old system that was provided by only one source, the Itron system is available on a competitive basis from multiple vendors. Staff has advised me that it has superior handheld functionality and durability, and will integrate nicely with our current computer-operating platform.

The 2004 budget included \$20,000 to implement a replacement of our AMR. Unfortunately, the research and selection of the replacement system took longer than anticipated and the funds were not expended. The 2005 budget did not include funding for the AMR replacement (the decision was still not complete), and so now, with several new subdivisions nearing completion and needing AMR meters installed, we do not have sufficient funds appropriated to implement the new system.

The total cost to implement the new Itron system is \$32,000 (replacement of 92 meters, three handhelds, software, installation, and training). I am recommending that the 2005 Water Division Budget be adjusted as follows to add the necessary \$32,000 to Account No. 55113.0 (Meter Repair and Maintenance).

Acct. No.	Item	Approved Budget	Proposed Revision
53260.0	Treatment Plant Materials and Maintenance	\$96,300	\$74,300
55113.0	Meter Repair and Maintenance	9,500	41,500
56201.0	Outside Services	45,300	35,300
	Total	\$151,100	\$151,100

Matt Colwell will be happy to explain at the Board meeting how 53260.0 and 56201.0 can be reduced as proposed to accommodate the additional \$32,000 to 55113.0.

The action I am recommending is as follows:

"In order to fund replacement of the old automated meter-read system, I move that the 2005 Water Division Budget be revised as follows: reduce Account No. 53260.0 from \$96,300 to \$74,300; increase Account No. 55113.0 from \$9,500 to \$41,500; and, reduce Account No. 56201.0 from \$45,300 to \$35,300."