



CITY OF BEVERLY HILLS STAFF REPORT

Meeting Date: August 4, 2009
To: Honorable Mayor & City Council
From: Shana Epstein, Environmental Utilities Manager
Subject: Smart Automatic Water Meter Project Update
Attachments: 1. None

INTRODUCTION

On January 29, 2008, the City Council approved the Smart Automatic Water Meter Project. The original expected completion of the project was June 2009; the revised substantial completion date is October 1, 2009. The project is 95% complete. The purpose of this memorandum is to share with the City Council the progress of the project.

DISCUSSION

Beginning on February 4, 2008, the data collection units (DCU) that transport the data from the meter back to the City were sited and installed. This part of the project was completed and tested on April 21, 2008. At that time, staff began measuring the meter box and lid sizes in order to make new lids that would permit radio frequency transmission. That was completed on May 30, 2008. The procurement and delivery of the water meters began March 3, 2008 and continues to this day with the majority received by July 7, 2008. The first customers were notified that they would be receiving a new meter May 3, 2008, to be installed two days later.

Even though installations continue, staff is already utilizing the data to help customers conserve water and save on their water bill. One thousand five hundred (1,500) customers have been notified of potential leaks on their property. We are printing 2,500 more postcards for the next round of notifications to customers. One condominium building found 14 leaking toilets after receiving this notification.

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Below is the current status of the project as of July 10, 2009 compared to the progress report given on February 1, 2009:

Item	Remaining As of 7/10/09	Remaining as of 2/1/09	Total	Explanation
Small Meters (2 inches or less)	84	1,390 ¹	10,564 ²	These meters require more than a simple replacement, for example, broken curbstop ³ , meter too far under box, obstructions, concrete around spuds and leaks on customer side.
Large Meters (3 inches or greater)	20	96 ⁴	231	These meters require significant preparation and customized lids before considered completely installed.
Unsuccessful Radio Reads on	517	1,958	9,253 ⁵	Majority of those unsuccessful reads are under steel lids that need to be replaced. The RF interference has been corrected.
Lid Replacement	1,077	2,225	10,795	MCS now has two lid suppliers to assist in completing this outstanding item.
Billing Periods Up to Date	None	None	31	All customers are assigned to 1 of 31 billing periods. A billing cycle takes 60 days for all periods to be billed.

The delay in billing is anywhere from two to four months worth of lag. To understand the reason for these delays below is the flow of how information is transmitted from the meters:

- The meters transmit through plastic lids or portions of the lid to a DCU and back to the City;
- The software that collects the data then had to be integrated with the City's financial system in order to bill.

The reasons for the delay in billing are a culmination of the following:

¹ This information is as of January 27, 2009.

² This total reflects number of meters replaced and not new installations that are requested from customers throughout the year.

³ A curbstop is a service valve on the City's service line before the meter.

⁴ This information is as of January 27, 2009.

⁵ Number of total installed radios at each meter.

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- The original delay stemmed from the integration to upload the data from the meter system to the existing financial system, which has been completed, but caused the initial lag.
- Not all the meters are transmitting because of the backlog in replacing lids;
- Some old meters still have not been replaced.
- In addition, faulty meters, failed batteries and incorrect installations are being identified and fixed. These issues fall under quality control repairs, but are not the cause for the majority of the delays.

Staff and the vendor anticipate to have completed the quality control in order to bill in a timely fashion by the September/October billing cycle. It has taken staff longer than anticipated to fix the billing issues because even if there are only 10 problem accounts in one billing cycle of 250 customers, the cycle cannot progress to the next billing period until those ten are fixed. Staff is looking into moving the problem accounts to a separate billing period, so as not to delay the entire cycle.

FISCAL IMPACT

The vendor for this project is Measurement Controls Systems (MCS). The purchase order that was made to this vendor was in the amount of \$ 7,679,731. As of July 20, 2009, the City has expended \$6,388,415 and has not utilized any of the contingency (\$365,701).

Regarding revenue projections, the City expects to recover costs that were never accounted for with the new large meters. The large meters are being replaced with compound meters so the low and high flows are being read by two meters in one. With the previous meters the low flow was not always measured. Customer service is experiencing large meter customers calling about higher bills due more consumption being measured.

RECOMMENDATION

This staff report is informational only.

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David Gustavson
Approved By