

Department of Public Works Committee Report
Meeting: April 12, 2018

Members Present: Mayor Allaire, President Davis, Aldermen Etori, Mattis, Whitcomb and Clifford. Also in attendance were Commissioner Wennberg, Treasurer Markowski, DPW Business Manger Gorruso.

The meeting was called to order at 5:30 pm. Commissioner Wennberg stated that he was seeking a recommendation to the Board to award the Advanced Metering Infrastructure (AMI) and Customer Information System RFP to Fathom Water Management, Inc., contingent upon approval by the Board of a final contract for services between the City and Fathom. He summarized the history and current state of the advanced metering infrastructure project, and that Fathom was the only entity to submit a proposal, although a number of vendors are seeking to partner with Fathom to provide the meters and other equipment.

Fathom's cost proposal was slightly less than the preliminary analysis presented to the City in November. Commissioner Wennberg explained that there are three parts of the cost proposal; the "service fee" which is the cost of Fathom's billing and customer support services, and the "meters and AMI infrastructure" which is the hardware and technology, and the "City cost to install," which is the labor cost for the installation of the new meters. Fathom proposes to finance the hardware through a 15-year lease purchase, which avoids the need for a bond or major up-front expenditure by the City.

The cost of the service fee is set at \$4.33 per meter per month, and this fee is set. The lease-purchase cost of the hardware is \$3.42 per meter per month but this is subject to change depending upon the decisions the City makes regarding vendor and whether a better financing offer can be secured. The City cost to install was estimated at \$247,365 which could either be paid directly or financed through the lease-purchase.

The analysis shows that after all fees and costs are considered the water and sewer budgets would show a net savings of around \$150,000 per year compared to current costs and revenues. The lion's share of the savings comes from new revenue which will be captured by replacing old inaccurate meters and correcting billing errors.

For the installation the City would hire up to 10 part-time seasonal installers for six to seven months. After the installation the current three full time staff would be retained although job duties would have to be adjusted and possibly pay rates upgraded to reflect the higher skill level required by the new technology.

Treasurer Markowski and Manager Gorruso explained the benefits of the new system for their operations and for customers. Both indicated that the ability to move to monthly billing would be

particularly helpful. Commissioner Wennberg said the leak detection capability would also save administrative time and be a great benefit to customers.

Alderman Mattis moved and President Davis seconded to recommend that the Board award the Integrated Fixed-Network Advanced Metering Infrastructure (AMI) and Customer Information System proposal to Fathom Water Management, Inc., contingent upon approval by the Board of a final contract for services between the City and Fathom.

A handwritten signature in black ink, appearing to read "Paul Clifford", written in a cursive style.

Paul Clifford, Chair