



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Scott Dewhirst, Water Superintendent/COO
Andre' Pedferri, Advanced Metering Program Manager
MEETING DATE: October 14, 2020
DATE: October 7, 2020

SUMMARY: Tacoma Public Utilities (TPU) and Tacoma Water request a resolution, in concurrence with a resolution planned for adoption by the Tacoma City Council on October 13th, 2020, approving the application for \$2 million in grant funds through the United States Department of the Interior, Bureau of Reclamation's WaterSMART: Water and Energy Efficiency Grants program for fiscal year 2021. Funds are requested to support the deployment phase of TPU's Advanced Metering Infrastructure (AMI) Project, for the installation of approximately 107,000 advanced water meters and radio modules.

BACKGROUND: Tacoma Public Utilities plans to deploy Advanced Metering Infrastructure across its entire water and electric service territories, replacing or upgrading all non-communicating water and power meters with advanced two-way communicating technology. To support this effort, Tacoma Public Utilities/Tacoma Water has applied for \$2 million from the Bureau's WaterSMART grant program specific to the deployment of approximately 107,000 advanced water meters and radio modules. This grant, when complemented with the planned utility investment of approximately \$25 million for grant related meter/module deployment, will help provide more efficient service to drinking water customers served by TPU in the City of Tacoma and throughout the region.

Procedures established by the Bureau of Reclamation require a resolution certifying the approval of the grant application by the applicant's governing board be submitted as part of the application package to the Federal Government. This resolution is the last remaining component required to complete the application package submitted to the Bureau of Reclamation on September 17, 2020. If selected for award, TPU will enter into an agreement with the Federal Government to carry out the identified project.

In accordance with Bureau procedures in section D.2.2.8 of the funding opportunity announcement, a resolution is requested stating that:

1. The Tacoma Public Utility Board has reviewed and, in concurrence with the Tacoma City Council, supports the filing of the application through the Bureau of Reclamation for the WaterSMART: Water and Energy Efficiency Grants program for Fiscal Year 2021 for the TPU/Tacoma Water "Advanced Metering Infrastructure Deployment Project."
2. The Tacoma Public Utility Board, in concurrence with the Tacoma City Council, certifies the capability of TPU/Tacoma Water to provide the amount of funding and/or in-kind contributions specified in the application funding plan.
3. Tacoma Public Utilities/Tacoma Water will work with the Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement.
4. The Tacoma Public Utility Board, in concurrence with the Tacoma City Council, identifies the Utilities Director, or their designee, with legal authority to enter into an agreement.

A resolution is planned for adoption by the Tacoma City Council on October, 13th, 2020, approving the grant application and outlining the certifications and authorizations listed above.



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TPU/Tacoma Water has also received four U.S. Congressional letters of support from: Senator Patty Murray, Representative Derek Kilmer, Representative Denny Heck, and Representative Adam Smith.

Completion of TPU's AMI water meter/module installations is planned for late 2022 and will be coordinated with similar upgrades to TPU's electric meters. The AMI Project supports TPU's long-term goal of water supply reliability and efficient water management. TPU's advanced metering program will provide multiple improvements to customers including:

- The ability of the advanced meter system to better detect leaks and provide that information to customers to take prompt action
- A new 'customer portal' that will provide customers with near real time information on their water usage so that they can make more informed choices about their consumption
- The replacement of water meters with more accurate meters that will better identify actual water usage

Additionally, this project will lead to a number of other measurable efficiency improvements described in the grant application. Those include:

- Estimated water savings of 2,049.5 acre-feet per year (AFY)
- Estimated savings of nearly 24,000 gallons of gasoline per year in meter reading and maintenance vehicle consumption
- Estimated emission reductions on the order of 35.1 metric tons of CO₂ per year

These savings will also reduce the amount of water diverted and treated out of the Green River, TPU's primary drinking water source, and provide energy savings associated with pumping reductions. Additionally, these water usage reductions will provide flexibility for ongoing initiatives aimed at improving the health of several threatened species including Bull Trout, Puget Sound Chinook, and Puget Sound Steelhead.

Advanced Metering is an essential building block of TPU's infrastructure that enables significant conservation measures, improves the customer experience, and will modernize TPU services now and in the future.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?

Yes, funds for the deployment of AMI water meters and modules are budgeted within the planned and approved 2019-2020 biennium Advanced Metering Program budget/contingency and complementary Water Division meter replacement budget. Funds for the 2021-2022 biennium are planned and subject to budget approval.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR?

N/A.

ATTACHMENTS: TPU/Tacoma Water's WaterSMART Grant Application, "Advanced Metering Infrastructure Deployment Project"



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