



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Andre' Pedefferri, Advanced Metering Program Manager, Tacoma Public Utilities  
Jackie Flowers, Utilities Director, Tacoma Public Utilities  
**COPY:** City Council and City Clerk  
**SUBJECT:** Request for Resolution to Approve Tacoma Public Utilities' WaterSMART Grant Application for \$2 million in Federal Funds to Support the Deployment of Advanced Metering  
**DATE:** October 7, 2020

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**SUMMARY AND PURPOSE:**

Tacoma Public Utilities (TPU) and Tacoma Water request a resolution 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 City Council has reviewed and 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 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 City Council identifies the Utilities Director, or their designee, with legal authority to enter into an agreement.

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 CO<sub>2</sub> 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.

#### **COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

The Advanced Metering Project will provide new benefits to residential and commercial utility customers. Before commencing on the project, market research was conducted across all customer groups and showed strong interest in new, modernized benefits, such as a web portal to view granular daily/hourly usage data, alert notifications, PrePay, and monthly billing. In addition, TPU continues ongoing community outreach with Tacoma's Neighborhood Council Meetings, Black Collective, Neighborhood Block Groups, Community Organizations (such as the Sunrise Rotary Club), Franchise Cities, Pierce County, and the Joint Municipal Action Committee.

#### **ALTERNATIVES:**

The alternative to this recommendation would be to **not adopt the requested resolution**. Impacts of this alternative are that the \$2 million WaterSMART grant application would not be considered for funding.



**EVALUATION AND FOLLOW UP:**

As the Advanced Meter program progresses, TPU will continue to provide updates to the City Council and Public Utility Board related to funding, meter installations, and customer benefits.

**STAFF/SPONSOR RECOMMENDATION:**

TPU recommends adoption of the requested resolution approving of the WaterSMART grant application. It is recommended that adoption be effective 10/13/2020, in order to complete the grant application package by 10/17/2020.

**FISCAL IMPACT:**

This resolution certifies the capability of TPU/Tacoma Water to provide the amount of funding and/or in-kind contributions specified in the application funding plan: \$25,229,026.

**What Funding is being used to support the expense?**

Funding for the deployment of AMI water meters and modules is provided primarily through existing Water Division cash reserves for capital expenses and revenue for O&M expenses.

**Are the expenditures and revenues planned and budgeted in this biennium's current budget?**

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.

**Are there financial costs or other impacts of not implementing the legislation?**

**YES**

If the requested resolution is not adopted, the \$2 million WaterSMART grant application would not be considered for funding.

**Will the legislation have an ongoing/recurring fiscal impact?**

**YES**

If the grant is selected for award and an agreement executed between TPU and the Federal Government, TPU/Tacoma Water funding contributions would be required for the duration of the Advanced Metering Infrastructure project (currently planned to be complete in 2022).

**Will the legislation change the City's FTE/personnel counts?**

**No**

**ATTACHMENTS:**

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