


Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
AGENDA ITEM

Meeting Date: February 15, 2022  
To: Honorable Mayor and City Councilmembers  
From: Public Works Superintendent, Dante Del Prete  
Subject: Discussion of Opt-Out Program for City Wide Water Meter Project  
(Requestor Councilmember Gurney/Responsible Department:  
Public Works/City Administration)  
Recommendation: That the Sebastopol City Council Discuss and consider an Advanced Metering  
Infrastructure (AMI) Opt-Out Program  
Funding: Currently Budgeted: \_\_\_\_\_ Yes \_\_\_\_\_ No  X  N/A

Account Code/Costs authorized in City Approved Budget (if applicable) \_\_\_\_\_ AK \_\_\_\_\_ (verified by Administrative Services Department)

**INTRODUCTION/PURPOSE:**

The item presented tonight is for City Council Discussion and Consideration of approval of an Opt-Out program for the City Wide Water Meter replacement project (Advanced Metering Infrastructure /AMI) as well as to provide additional information responding to issues raised by the Council and members of the public regarding alternative measures.

**BACKGROUND:**

At the October 19, 2021 City Council Meeting City Staff and Syserco Energy Solutions presented a Comprehensive Energy Efficiency, Water Conservation, and Solar PV Project for approval. One of the approved major elements of this project was Water Conservation and technological advances to enable real-time water use monitoring. This included the replacement of approximately 1,650 of Sebastopol's existing water meters (those older than 11 years old) with new meters and cellular transmitters to increase meter accuracy and the installation of a cellular transmitter on all meters less than 11 years old in order to provide the ability for prompt leak detection alerts and provide water customer access to water conservation data.

As a recap, a breakdown of the project development approval timeline is listed below:

- August 16, 2018 City Staff Approved & Signed MOU with SES for Preliminary Feasibility Analysis
- October 24, 2018 SES Presented "Summary of Findings" to City Administration and Staff
- November 4, 2020 City Staff Approved & Signed Letter of Intent with SES to Begin Investment Grade Energy Audit/Analysis
- July 6, 2021 City Council approved the release of a water meter survey. The survey ran from July 16 to October 1.
- October 13, 2021 SES and City Staff Presented Project to Climate Action Committee, The vote was in approval by a decisive majority, with none opposed.
- October 19, 2021 City Council Approved Project & Construction Contract
- December 8, 2021 City Staff Signed Energy Services Contract with SES
- December 21, 2021 City Council Approved Project Financing Agreement

- January 10, 2022 Energy Conservation Measures Summary City Managers Informational Report

**DISCUSSION:**

Since the approval of the contract agreement in December 2021, the City Council and City staff have received emails requesting information and voicing concern for the project such as the proposed cellular meter reading solution and lack of the proposal for an Opt-Out Provision.

Councilmember Gurney requested an agenda item to discuss her concerns that the Council has not fully discussed and considered alternative measures to a blanket installation of “smart” water meters by Syserco throughout our city. Councilmember Gurney’s agenda item recommend actions as listed below. Staff has reviewed the request and provided information related to each request below.

- (1) Pause and complete the research requested by members of the community, as promised by Mayor Slayter at the Jan. 4 Council meeting: he asked Staff to prepare a brief report on the water meters to run down and assemble “all these really important questions” and “I think that would go to alternatives, what other devices might be possible within the bounds of the contract that the City has agreed to and addressing the concerns, answering all the questions and doing our level best to get at the concerns.”

The Report titled “Energy Conservation Measure Summary” was filed and heard briefly at the January 18, 2022 Council Meeting, as Item 13 under City Manager/Attorney Reports. It included, at Paragraph 6 of 6, only a brief status report and did not address the substantive issues as indicated by the Mayor.

This additional effort could allow the Council to secure verification and external monitoring of the claims being made that “smart” water meters would save energy, save water, and reduce greenhouse gas emissions. It would also allow a closer look at the energy costs embedded in the new meters.

**City Staff Response:**

To address the question of alternatives; In order to have the ability for prompt leak detection alerts and provide water customer access to water conservation data, active communication with the water meters is required. The cellular option now the industry standard as it requires no additional infrastructure utilizing existing cellular networks. City staff is proposing an Advanced Metering Infrastructure (AMI) Opt-Out Program for those residential customers that have concerns regarding the AMI equipment being installed at their water metering connection and we want to be responsive to those concerns. Questions as to the legal bounds of the contract will have to be addresses by the City Attorney.

Primary benefits of the water meter project include:

- The new meters provide an increased level of meter accuracy, recovering lost revenue from, old, dilapidated, inaccurate meters. This is a fairness issue, meaning it prevents customers that have an old, inaccurate meter from being subsidized by a customer whose meter is accurate.
- The meters report usage in an automated manner, eliminating human error from the previous reading method which was manual entry.
- The meters lower operational expenses by not requiring manual reading. It also frees up a labor resource, thereby allowing attendance to other needed maintenance issues within the City.
- The meters provide the City’s customers with a higher resolution of reporting, thereby allowing Customers to attend to leaks or waste in a more timely manner than the current bi-monthly billing method.
- The meters allow for monthly billing, if desired, thereby improving the city’s cash-flow and allowing more expedient tracking of payment performance to allow the city to address non-payment faster.

- (2) Create an “Opt-In” provision to digital non-RF meters that will allow water customers who want real-time accurate statistics to have them in order to manage their water uses and practice conservation. Conservation is the goal that is assumed and it is not necessarily accurate. Some customers have indicated to me that they want to know usage in order to swap household use reduction (by shorter, less frequent showers, by not flushing etc.) for landscape watering. The Opt-in would require an affirmative action by the water customer rather than impose on everyone an identical situation that may not be of interest and/or may present a health concern.

**City Staff Response:**

Request to create an “Opt-In”. While the Water Billing Department does frequently receive water customer requests for real time accurate statistics other critical aspects of the proposed meters changes include accurate, timely and current water use data to address customer service questions or to start/stop an account. Also, more importantly for water conservation, it includes the ability to send prompt leak detection alarms to dispatch staff to investigate potential leaks or unintended use. City staff would need to research an Opt-In Program as it is not common per research.

- (3) Create an “Opt-Out” provision that would allow health-sensitive and other customers to have a choice, rather than be forced into a situation they believe is against their interests, to accept city services that they also perceive as violative of the General Plan and Council policies. For example, citizens committed to Zero Waste may find it unacceptable to throw away old meters in favor of plastic ones that use batteries and are not repairable.

**City Staff Response:**

Staff is currently drafting an “Opt-Out Program. We support offering our customers a choice in metering infrastructure. The AMI Opt-Out Program is for residential customers who prefer not to have the data collector/transmitter installed with their water meter. The program allows customers to have their meter read manually at the end of every month. A copy of the Opt-Out DRAFT Program and Fee is attached for information. If directed tonight Staff would return for a final Opt-Out Program for Council review and approval.

- (4) Discuss any possible mitigation measures and operational procedures that would reduce the pulsing. I do not know what these might be and need assistance to figure them out.

**City Staff Response:**

The standard configuration for the meter communication is designed to call in four times per workday and features a configurable schedule that enables the Water Billing Department to select call-in times that best support the billing process. Staff has requested information on the possibility of limiting the number of transmissions per day but as of writing this report has not received this information.

- (5) There may be other possibilities that other Council Members and the EMF community want to contribute or want to discuss.

**City Staff Response:**

Although the meters have been purchased, they can be converted to not transmit and used to be read manually for those that wish to Opt-Out. To address a question that has been raised as to the possibility of returning the meters that were ordered in the project. This is not recommended, as the meters being replaced are over 11 years old, have reduced accuracy, and can be utilized in the AMI system or be read manually.

Staff will address council member questions to the best of our ability. If the answer is not readily available staff will provide information for City Manager reports at a future date.

**GOALS:**

Goal EV 7: Maintain a Stable and Self-Sustaining Fiscal Base in Order to Generate the Resources Necessary to Provide Desired City Services and Support New Growth that is Consistent with the City's Values and Goals

Goal CSF 1: Provide High Quality Community Services, Facilities, and Infrastructure to All Residents, Businesses, and Visitors in Sebastopol

Goal CSF 3: Provide an Adequate, Clean, Safe, and Environmentally Sound Water Supply to All Existing and Future Water Users in Sebastopol.

Goal CSF 4: Provide Adequate Sewer Service Capacity to Serve Existing and Future Demands.

**CLIMATE ACTION COMMITTEE REVIEW**

The full SES proposal and all attachments were presented to the Climate Action Committee for review, recommendations and input at their October 13, 2021, Committee Meeting. The vote was in approval by a decisive majority, with none opposed.

**PUBLIC COMMENT:**

City Council and staff have received several comments on this topic. Staff anticipates receiving public comment from interested parties following the publication and distribution of this Staff Report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of the agenda item.

**PUBLIC NOTICE:**

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

**FISCAL IMPACT:**

The comprehensive energy efficiency, water conservation, and solar PV project encompassed several energy conservation measures at a total project cost of \$4,968,891. The total project including all aspects was funded by a Tax Exempt Lease Purchase Agreement. The allocation for this lease is scheduled to be funded as 25% General Fund- \$94,000 annually and 75% Enterprise Fund- \$280,796 annually.

The water meter project represents approximately \$2,200,000 of the total cost of the entire project. Costs associated with the water meters portion include labor and materials to complete the physical installation, coordination of data transfer and operations training.

**RECOMMENDATION:**

That the Sebastopol City Council Discuss and consider an Advanced Metering Infrastructure (AMI) Opt-Out Program.

**ATTACHMENTS:**

Draft- AMI Water Meter Opt-Out Program

CITY OF SEBASTOPOL
Advanced Metering Infrastructure (AMI)
Opt-out Program Application

At the City of Sebastopol, we support offering our customers a choice in metering infrastructure. The AMI Opt- out Program is for residential customers who prefer not to have the data collector/ transmitter installed with their water meter. The program allows customers to have their meter read manually at the end of every month.

Please note, if you choose to opt out, the following charges will be added to your monthly water bill:

An initial setup fee of \$50.00; and
Meter reading fee of \$18.75 per month.

Please complete both Section A and Section B.

Section A: Customer and Account Information

\* Indicates required field

Customer of Record\* \_\_\_\_\_

Account Number\* \_\_\_\_\_

Service Address\* \_\_\_\_\_

Daytime Phone #\* \_\_\_\_\_ Email \_\_\_\_\_

Any meter access issues? \*
Yes
No

Please indicate if gate is locked, dog, etc.\* \_\_\_\_\_

District Use Only:

Date Received: \_\_\_\_\_ Accountholder validation: \_\_\_\_\_ Staff: \_\_\_\_\_

**Section B: Acknowledgements**

Please sign and date all of the following:

I, the aforementioned customer of record for the account identified above, hereby request that the City of Sebastopol remove or not install the advance metering infrastructure from the identified service address in Sebastopol, CA.

Signature\* \_\_\_\_\_ Date\* \_\_\_\_\_

I understand that I will be charged a fee on my water bill for the set-up of my account to opt-out of the AMI program and that this fee is not refundable nor transferable to another address in the District.

Signature\* \_\_\_\_\_ Date\* \_\_\_\_\_

I understand that I will be charged a monthly meter reading fee on my water bill for the identified account and that this fee is not refundable nor transferable to another address in the District.

Signature\* \_\_\_\_\_ Date\* \_\_\_\_\_

I understand that should I choose to stop participating in this opt-out program for the identified account that I cannot re-enroll in the opt-out program for a period of 12 months after the request for the identified account.

Signature\* \_\_\_\_\_ Date\* \_\_\_\_\_

I understand that annually the City may re-evaluate the cost of reading the meter for the identified account and that this monthly fee may change in the future.

Signature\* \_\_\_\_\_ Date\* \_\_\_\_\_

Please return the original, signed application to the City of Sebastopol.

Digital and facsimile copies will not be accepted.

7120 Bodega Avenue, Sebastopol, CA 95472

## CITY OF SEBASTOPOL

### Advanced Metering Infrastructure (AMI) Opt-out Program

#### ***FREQUENTLY ASKED QUESTIONS (FAQ)***

##### *What is the City's Water Meter AMI Plan?*

The city is replacing approximately 1650 of its older mechanical water meters within its service area with new digital meters with no moving parts that can measure water use with greater accuracy and retrofitting 1350 existing water meters with digital recording registers. In addition to the meter change, the city will install a separate transmitter that can send data to receivers by radio. The AMI Program will improve efficiency and reduce costs by allowing city staff to automatically read your meter and eliminating the need to visit your property to manually read it. Additionally, the new system will greatly assist the city in detecting leaks, troubleshooting customer billing issues and providing helpful information to customers about their water use.

##### *What is the City's AMI Opt-out Program?*

We understand that some have concerns regarding the AMI equipment being installed at their water metering connection and we want to be responsive to those concerns. While we believe the equipment is safe, the City's water and sewer billing department is providing an AMI Opt-out Program for residential customers who prefer not to have the transmitter installed with their new water meter retrofit. The program allows customers to have their meter read manually at the end of every month.

##### *Who can opt-out?*

Any residential customer can opt-out. However, the request must be made by the Sebastopol customer of record (family members, neighbors, or landlords cannot act on behalf of another customer).

##### *How can I opt-out?*

To opt-out, a residential customer of record must complete and submit an opt-out application. This application may be obtained from the city website at [ci.cityofsebastopol.org](http://ci.cityofsebastopol.org) or by calling the water and sewer billing office at (707) 823-7863 and requesting an application. Applications are also available at the Public Works office at 714 Johnson St., Sebastopol, CA.

##### *What will opting-out cost?*

There are two fees associated with the opt-out program – a set-up fee and a monthly meter reading fee. The set-up fee will be \$50.00 dollars and will appear on the monthly water bill of the month enrolled. The meter reading fee will be \$18.75 each month.

Why will there be costs to opt-out?

California's standard for metering is now remote read meters. The city council, by resolution, has determined that those customers who choose the opt-out service should pay the costs cover the initial identification of the account as an opt-out account and monthly manual meter reading and associated operational and billing activities based on the approved User Fee schedule. The \$50.00 initial fee is based on the set cost for an Account Setup Fee and the \$18.75 monthly fee is calculated on 7.5 minutes of staff time as determined in the user fee schedule

How long will the process take?

Once the City Water and Sewer Office receives a signed opt-out form, the establishment of the account and the removal of the data collector / transmitter can occur in a 1 to 2 week period depending on the number of requests. For data recording purposes the city may elect to avoid removing the data collector / transmitter until after the close of the monthly billing cycle – usually at the end of the month. If you have special requests regarding the removal of the data collector / transmitter, call (707) 823-7863 to schedule an appointment.

Transfer of service, un-enrolling and re-enrolling.

Set-up and monthly meter reading charges are not transferable between service addresses within the city and are not refundable should you choose to un-enroll in the opt-out program.

As per the terms and conditions on the opt-out form, anyone wishing to re-enroll in the opt-out program at the same service address must wait until 12 months after the preceding program termination date has passed. Re-enrolling in the program will result in new set-up fees and monthly meter reading fees.

Are unpaid set-up and monthly meter reading fees subject to collection activity, including service shutoff?

Yes. Unpaid fees will be included in past-due amounts which may be subject to collection activity.

Once enrolled in the opt-out program, how can I terminate participation and will I incur any costs?

To cancel your program participation and to schedule an installation appointment, please contact the City Water and Sewer Office at (707) 823-7863. There will be no charge for changes made to your account or for the installation of the data collector / transmitter.