



# REPORT TO COUNCIL

## City of Sacramento

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915 I Street, Sacramento, CA 95814-2671  
www.CityofSacramento.org

CONSENT  
June 27, 2006

Honorable Mayor and  
Members of the City Council

**Subject:** Water Meter Program: Consultant Services Agreement with Black and Veatch

**Location/Council District:** Citywide

**Recommendation:**

Adopt a resolution authorizing the City Manager to enter into a consultant services agreement with Black and Veatch for program management assistance with implementation of the water meter program for an amount not to exceed \$148,000.

**Contact:** Dave Brent, Engineering Manager, (916) 808-1420; Syed Rizvi, Field Services Manager, 808-6217

**Presenters:** Not Applicable

**Department:** Department of Utilities

**Division:** Engineering Services

**Organization No:** 3332

**Summary:**

A.B. 2572, signed into law by Governor Schwarzenegger on September 29, 2004, mandates that the City install water meters on all service connections by January 1, 2025. This twenty year effort is anticipated to cost upwards of \$350 million and includes the installation of over 100,000 meters throughout Sacramento. Staff is requesting the City Council approve the attached resolution authorizing the City Manager to execute a consultant services agreement with Black and Veatch for an amount not to exceed \$148,000. Black and Veatch will assist in program management and the development of long-term program procedures, protocols and documentation.

**Committee/Commission Action:** None.



**Background Information:**

A.B. 2572 was signed into law by Governor Schwarzenegger on September 29, 2004. The bill mandates that the City of Sacramento install meters on all service connections by January 1, 2025. A.B. 2572 superseded the long-standing residential water meter prohibition in the City Charter.

The Department of Utilities (DOU) has gone before City Council and the Law and Legislative Committee regarding the Water Meter Program as follows:

- November 4, 2004, presented an informational workshop on water meters to the City Council.
- March 1, 2005, requested that the Law and Ledge Committee revise the 2004-2005 State and Federal Legislative Platforms to include water meter funding.
- March 22, 2005, requested guidance from the City Council on the meter implementation options.
- May 24, 2005, the City Council adopted Resolution No. 2005-347 approving the DOU water meter implementation plan criteria, the placement of water meters in the sidewalk, and the institution of a voluntary metered rate program.
- November 1, 2005, the City Council adopted Ordinance No. 2005-090 and 2005-091 approving an ordinance amending City Code provisions relating to water meters to enable implementation of A.B. 2572.

The water meter program will be implemented over a twenty-year period and will involve many aspects during the transition from a flat rate to a metered rate for water services. Over 100,000 meters will be installed over this period and beginning in 2010, all residential properties with meters for more than one year must be billed on a metered rate. From that point forward, residents will transition over to a metered rate one year after the installation of a meter. This large effort will cost an estimated \$350 million dollars.

The Department of Utilities is preparing for this program with a comprehensive plan that will address meter retrofits, pipeline replacements, water conservation, public outreach and rate modeling. While much of this work is being done in-house with existing resources, professional services are necessary to assist staff with the program management of this large scale effort and the development of the policies, protocols and documentation that will be essential in the orderly transition to a metered system.

Requests for proposals were sent out to 15 consulting firms and individuals. The RFP was also posted on the City's website. Two firms responded with proposals, Black and Veatch and Psomas. A panel of city staff screened the proposals and selected Black and Veatch based on their understanding of the program and the experience of the project team.

**Financial Considerations:**

The estimated cost of the consultant agreement with Black and Veatch is \$148,000 and will be funded in the Engineering Services Division operating budget (PN: 3332, Fund 413), which has sufficient funding to award this consultant agreement.

**Environmental Considerations:**

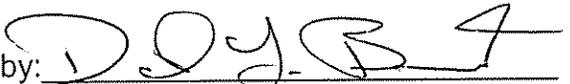
The Environmental Services Manager has determined that the actions of approval of a consultant services agreement for program management and the development of long-term program procedures, protocols and documentation is exempt from the California Environmental Quality Act (CEQA) under sections 15306 and 15308 of the CEQA Guidelines. Exemption 15306 consists of basic data collection and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. Exemption 15308 consists of actions taken by regulatory agencies for protection of the environment where the regulatory process involves procedures for protection of the environment. Construction activities and relaxation of standards allowing environmental degradation are not included these exemptions. Any projects resulting from the monitoring program would require further environmental review under CEQA.

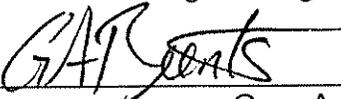
**Policy Considerations:**

A.B. 2572 mandates that water meters be installed on all properties before January 1, 2025 and customers begin being billed on a metered rate on January 1, 2010 or at the end of one calendar year after meter installation.

**Emerging Small Business Development (ESBD):**

Black & Veatch is not a City-certified Small Business Enterprise.

Respectfully Submitted by:   
David L. Brent  
Engineering Manager

Approved by:   
Gary A. Reents  
Director of Utilities

Recommendation Approved:

*ben*   
Ray Kerridge  
City Manager

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**RESOLUTION NO.**

Adopted by the Sacramento City Council

**RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH BLACK AND VEATCH FOR PROGRAM MANAGEMENT ASSISTANCE WITH IMPLEMENTATION OF THE WATER METER PROGRAM FOR AN AMOUNT NOT TO EXCEED \$148,000**

**BACKGROUND**

- A. Assembly Bill 2572 requires that the City install water meters on all service connections by January 1, 2025.
- B. The City is developing a comprehensive water meter program that will address water meter retrofits, pipeline replacements, water conservation, public outreach and rate modeling.
- C. The proposed Consultant Services Agreement with Black and Veatch will assist in the water meter program management and the development of long-term program procedures, protocols and documentation.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The City Manager is authorized to sign and execute a Consultant Services Agreement with Black and Veatch for Program Management Assistance with the Implementation of the Water Meter program for an amount not to exceed \$148,000.

