



THE CORPORATION OF THE MUNICIPALITY OF KINCARDINE REPORT

Subject: Award Water Meter Proposal
Director: Infrastructure & Development
Manager: Environmental Services
Report Number: Environmental Services-2023-34
Meeting Date: Monday, August 14, 2023

Recommendation:

That Council accept the recommendation to award a contract to KTI Limited with a total value of \$507,500 for the replacement of water meters and associated equipment.

Date to be considered by Council: Monday, August 14, 2023

Report Summary:

The Environmental Services Department recommended the replacement of aging water meters and associated equipment in the 2023 Capital Budget. A Request for Proposal was issued to vendors for review and to determine a solution for installation of this project.

Origin: Staffing Suggestion and 2023 Capital Budget.

Existing Policy:

Background/Analysis:

The 2023 Capital Budget includes \$700,000 for the replacement of water meters. The following resolution was passed by Council during the budget process:

Resolution #03/06/23 COW-04
Moved by: Bill Stewart
Seconded by: Mike Hinchberger

That Council direct Staff that G003 Water Meter Replacement Program and Software Upgrades be reduced to \$700,000 in the 2023 capital budget for 600 meters as a trial in Tiverton, Queen Street, and replacement of damaged units.

Carried.

The Environmental Services Department issued a request for proposal for replacement of aging water meters and associated equipment for options for reading water meters. The RFP received three quotes and solutions for review and consideration.

The Municipality's Evaluation Team included staff from Corporate Services and Infrastructure and Development in hopes of covering all aspects and considerations within the proposals.

The bid evaluation was based on the following criteria:

- Company background and capacity, including experience in providing services of a similar size and scope
- Project team and key individuals
- Value add services
- Proof of ability, which includes project management capability, installation process, product warranties and features, and a minimum of 98.5% propagation outcome
- IT and Accounts Compatibility, which includes the ability to integrate with Keystone and Cityworks, security, options for a user interface platform and capabilities of monitoring water temperatures.

Staff are recommending the award of a contract to KTI Limited. Highlights of this proposal include:

- I-Pearl ultrasonic meters which are composed of a composite plastic meter base and no moving parts. This style of meter is preferred over positive displacement meters that have moving chamber parts that can become plugged or jammed and require staff time and maintenance to repair.
- 15-year full replacement warranty in the event of battery or meter issues and a prorated warranty for years 15-20.
- Alignment with existing Municipal information technology platforms. This includes Keystone, which is used for billing and invoicing purposes, and the Cityworks platform that is used for work orders and maintenance.
- Strong security, including regular updates to prevent possible breaches of information.

The costing breakdown of the KTI proposal includes the following:

Setup of Networks, IT Platforms, Public Communications for Installation of Water Meters	\$40,000
Installation of both AMI Receivers at each tower	\$205,000
Purchase of 700 water meters	\$262,500
Total (excluding HST)	\$507,500

Based on costs and size of the meters, the Municipality will initially replace 700 of the current 4600-meter inventory. This trial will include full replacement of meters in Tiverton, Underwood, Armow, and Scott's Point. In addition, approximately 50 deficient meters and meters located in Queen Street's Big Dig area will be replaced.

In the summer of 2023, staff hired a contractor to perform leak detection on the Kincardine and Tiverton drinking water systems. The leak detection testing confirmed only one leak in both systems, indicating that current water losses within the Municipality could be occurring through the aging water meters. Water loss on the Kincardine and Tiverton system from May 2022 to May 2023 was calculated to be worth \$344,095.

Based on leak detection results, lost revenue, and current water losses, staff intend to request additional budget considerations within the 2024 and 2025 capital budget deliberations.

This could be phased in with additional partial replacement of meters, or full replacement of the additional 3900-meter inventory. The estimated cost of the replacement of the remaining water meters would be \$1,462,500.

The estimated cost of the entire replacement and maintenance of the project over the projected 20-year lifespan is \$2,400,000.

Integrated Strategy 2020 - 2025

REG 3.2: Continually identify infrastructure (hard and soft services) that needs to be maintained and/or upgraded.

REG 4.4: Invest in technology and digital service to leverage existing staff resources and increase organizational capacity.

Financial Implications:

The 2023 Capital Budget includes \$700,000 allocated for the partial implementation of a new water meter system in Tiverton, as a trial. Additional

phases of the water meter system will be brought forward through the annual budget process.

Attachments: N/A

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Submitted by: Mark O'Leary