

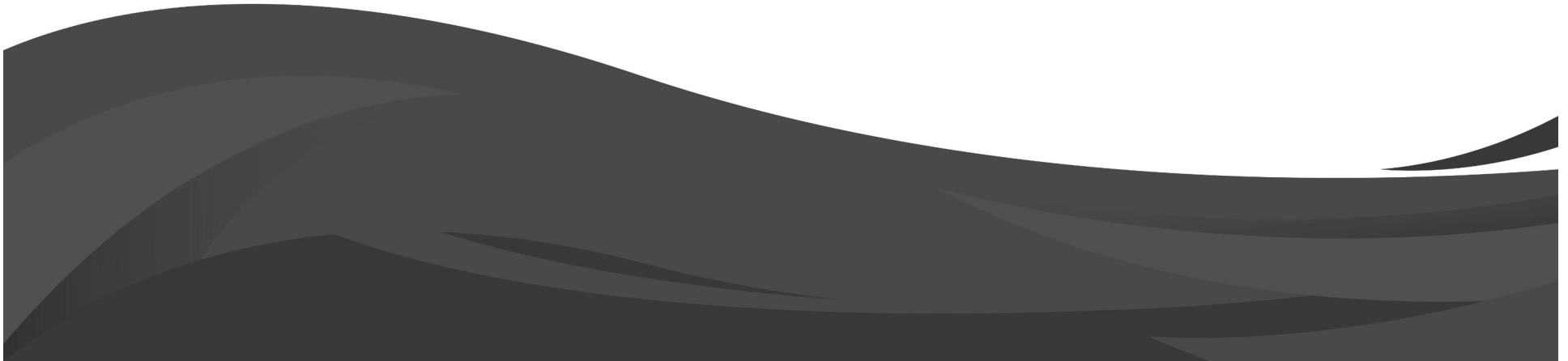


AUTOMATED METER READING (AMR) MIGRATION STRATEGY

TTI COMMITTEE

**SHERRI WINSLOW, DEPUTY DIRECTOR
CUSTOMER ACCOUNT SERVICES**

February 12, 2018

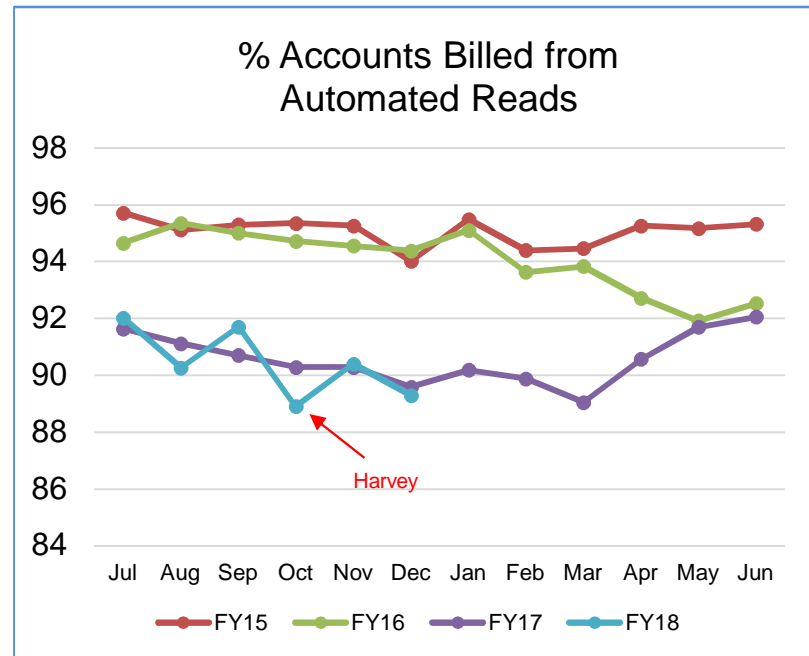
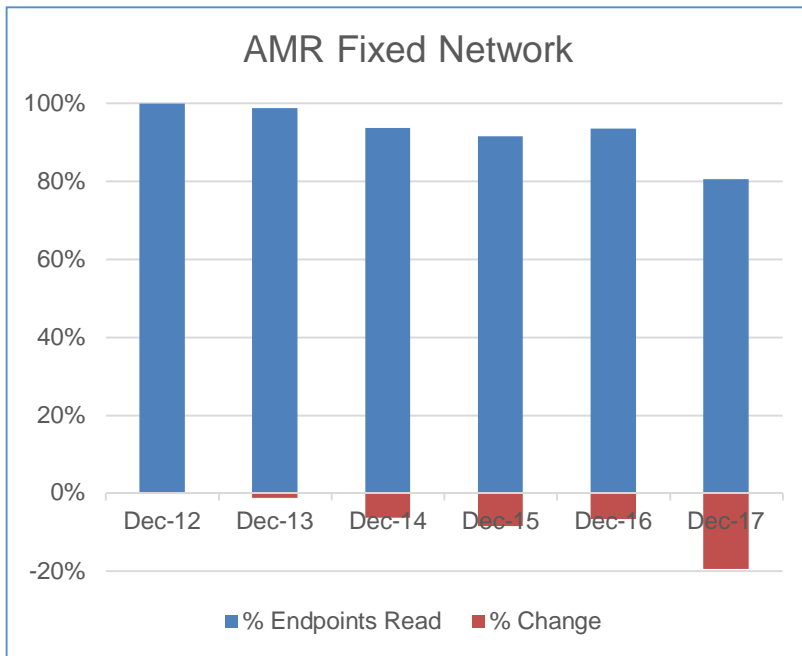


EXECUTIVE SUMMARY

In 1998, City Council approved implementation of an automated meter reading system which has saved the City **approximately \$107M through FY2017**.

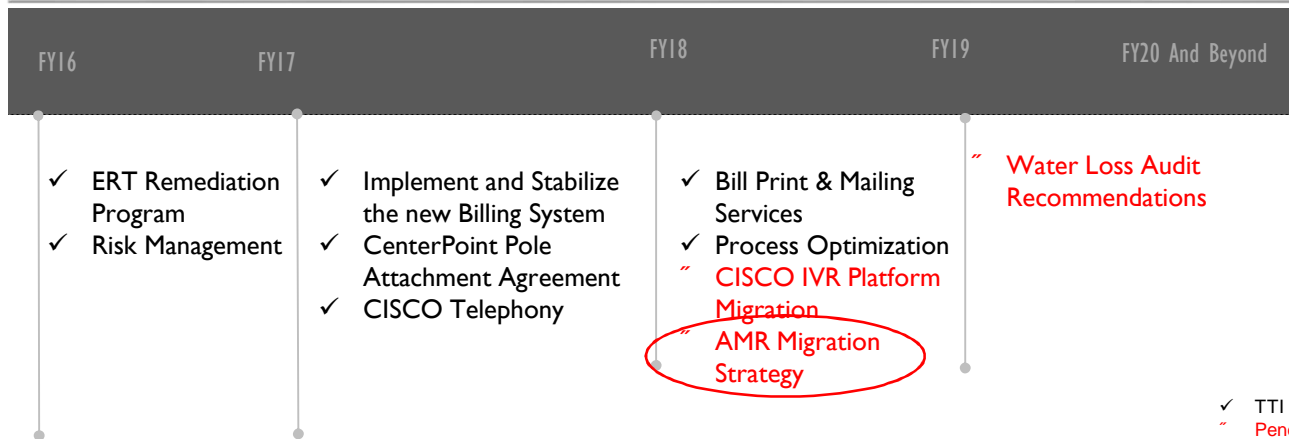
The 20+ year old system must be replaced as it is **nearing the end of its life expectancy and experiencing a decline in reliability**.

OPERATIONAL IMPACTS



VISION 2020

Customer Account Services – 5 Year Strategic Plan



TECHNOLOGY ASSESSMENT

	Aclara	Beacon	Orion	Telit	Verizon	Itron FN	Itron Riva
Infrastructure	Moderate concern	No concern	High concern	High concern	High concern	High concern	No concern
Joint Use Agreement	No concern	No concern	High concern	High concern	No concern	High concern	No concern
Wimax Network	Moderate concern	No concern	High concern	Moderate concern	No concern	Moderate concern	No concern
SQL Cloud Server	No concern	No concern	No concern	Moderate concern	No concern	No concern	No concern
Web Server	Moderate concern	No concern	Moderate concern	Moderate concern	Moderate concern	Moderate concern	No concern
System Buildout & Maintenance	High concern	No concern	High concern	High concern	High concern	High concern	No concern
PWE Multi Service Line	High concern	High concern	High concern	High concern	High concern	High concern	Moderate concern
Lifecycle	High concern	High concern	No concern	High concern	No concern	High concern	No concern
Cost	High concern	High concern	No concern	High concern	High concern	High concern	No concern

■ No concern
 ■ Moderate concern
 ■ High concern

1. Aclara
 - ~ 3X the cost of ITRON endpoint.
2. Beacon
 - ~ Increased cost due cellular technology and multiple systems throughout the 10 year buildout.
3. Orion
 - ~ PWE-IT discontinuing the server.
4. Telit
 - ~ Significant legal implications.
5. Verizon
 - ~ Cost prohibitive as it requires new meters and endpoints.
6. Itron FN . obsolete
7. Itron Riva
 - ~ Lower operating cost.
 - ~ Ease of buildout
 - ~ Potential use by other PWE Service Lines.

RECOMMENDATION

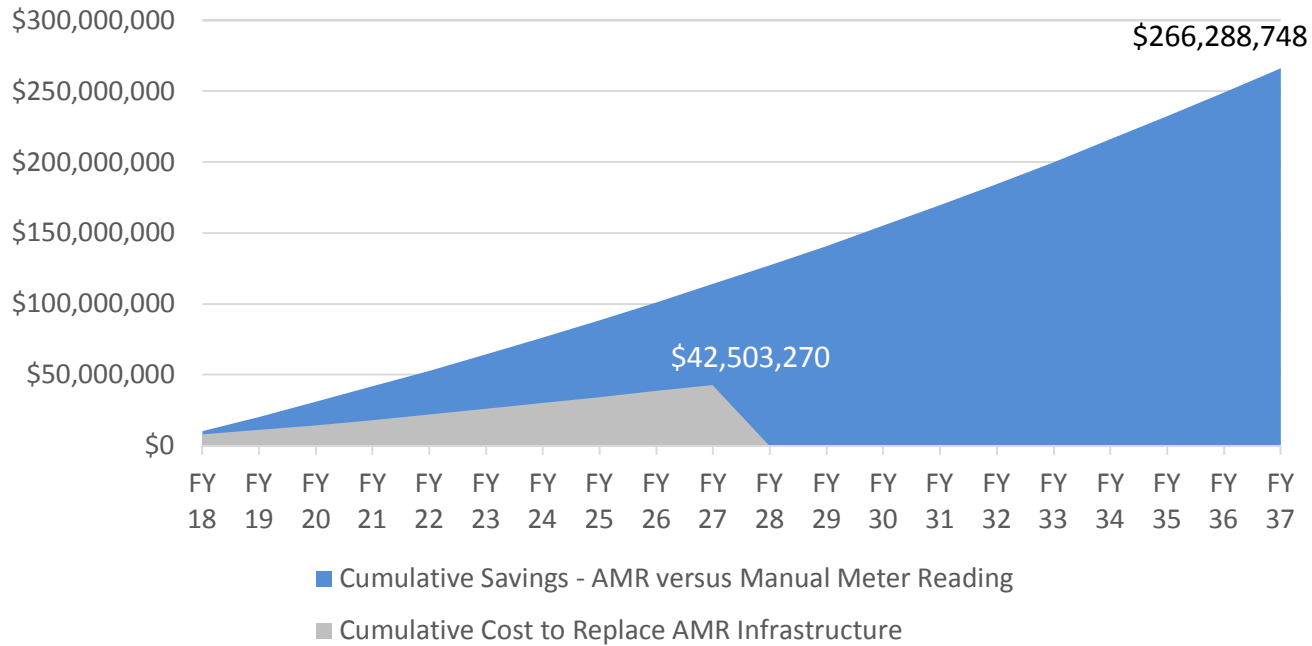
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1. Lower Operating Cost
2. Potential Interoperability with other HPW Service Lines
3. Ease of Buildout/transition

BUSINESS CASE

ITRON RIVA – 20 YEAR COST BETWEEN ALTERNATIVES*



*Labor and material costs escalated 3% annually
 **Replacement to occur over 10 years

OTHER BENEFITS

1	Plan Houston Alignment	<ul style="list-style-type: none">“ Spend money wisely“ Sustain quality infrastructure“ Protect and conserve our resources“ Partner with others, public and private
2	Customer Satisfaction	<ul style="list-style-type: none">“ Expedited customer issue resolution“ Water usage data via leak and consumption alerts
3	Operational Efficiency	<ul style="list-style-type: none">“ Billing efficiency“ Fewer manual meter readings
4	Environmental	<ul style="list-style-type: none">“ Supports conservation and water loss reduction initiatives“ Avoids incremental fleet costs and associated miles driven
5	Financial	<ul style="list-style-type: none">“ Approximate 3.2 year payback“ Cost avoidance on average of approximately \$13M annually

PROGRESS TO DATE AND NEXT STEPS

1	Presentation to ITOC		October 15, 2017
2	Funding Commitments		November 21, 2017
3	PWE Director Approval		November 27, 2017
4	Proof of Concept		December 5, 2017
5	ITGB Presentation		January 18, 2018
6	TTI Presentation		February 12, 2018
7	RCA Approval – Appropriating Ordinance & Purchasing Authority		3Q FY18
8	RCA Approval – Itron Contract Outyears		4Q FY18
9	Implementation		4Q FY18 – FY28

■ Completed

REQUEST FOR COUNCIL ACTION

Request approval of an Appropriation Ordinance, Contract, and Purchasing Authority for Automated Meter Reading System Migration for Houston Public Works.

Estimated Spending Authority – Over the 10 year project

	FY18	OUTYEARS	TOTAL
FUND 8500	\$7,017,307	\$29,785,024	\$36,802,330
FUND 8300	\$503,506	\$5,197,434	\$5,700,940
TOTAL	\$7,520,813	\$34,982,457	\$42,503,270

Presented to Budget & Fiscal Affairs Committee as a **Key Initiative** in the FY18 Budget

Expenditures planned and budgeted in FY18 (Funds 8500)

THANK YOU

questions?