



November 7, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California**RECOMMENDATION:**

Authorize the City Manager, or designee, to enter into a Memorandum of Understanding with the City of Signal Hill, to facilitate use of the City of Long Beach Advanced Metering Infrastructure to beta test 260 water meters in an evaluation of a Signal Hill smart meter system. (Citywide)

DISCUSSION

In June 2014, the City Council approved the design, implementation, and integration of an Advanced Metering Infrastructure (AMI) system for approximately 154,000 natural gas meters in the City of Long Beach (City) and approximately 4,300 gas meters in the City of Signal Hill (Signal Hill), as well as small portions of neighboring jurisdictions. To date, City is billing over 98 percent of gas meters through the AMI system. The City's existing AMI system has capacity to read and operate additional utility meters (both gas and water), as well as lighting control systems beyond the gas meters that are currently installed.

Signal Hill operates a municipal water utility that provides water service to approximately 3,000 water customer accounts. As City staff was designing its AMI gas meter network, it met with Signal Hill staff to discuss shared network scenarios. Signal Hill has now budgeted funds to beta (pilot) test a 260-meter AMI system for its water meters. This budget includes a \$41,758 grant pledge by the Gateway Water Management Authority. To receive this grant, Signal Hill must purchase, install, and implement this beta smart metering system by December 31, 2017.

Signal Hill is geographically surrounded by Long Beach, with natural gas service provided by the City utilizing an AMI network. The City network can be utilized to read Signal Hill smart water meters. Under the proposed Signal Hill beta AMI, Long Beach Gas and Oil will allow Signal Hill to use the existing towers and data transfer infrastructure for this pilot program in consideration for full coverage of all operations and maintenance costs related to its prorated share of the network usage. In addition, Signal Hill will waive any and all liability claims for damage to its billing network related to potential failure or data loss stemming from the City's AMI network utilized by Signal Hill. City staff has calculated, and Signal Hill has agreed to pay, a monthly per meter maintenance and operations fee of \$1.72 to offset the expense of the additional meters.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 17, 2017 and by Revenue Management Officer Geraldine Alejo on October 18, 2017.

TIMING CONSIDERATIONS

City Council action is requested on November 7, 2017, to ensure timely compliance with the Gateway Water Management Authority grant pledge to Signal Hill.

FISCAL IMPACT

Signal Hill's pilot program will be in effect for six to twelve months. During the pilot program, Signal Hill will offset the City's costs related to the maintenance and operations of 260 water meters. Monthly revenue in the amount of \$447 will be deposited to the Gas Fund (EF 301) in the Long Beach Gas and Oil Department (GO). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT DOWELL
DIRECTOR OF LONG BEACH GAS AND OIL

RD:LAF:rmw

APPROVED:



PATRICK H. WEST
CITY MANAGER