



## Legislation Text

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**File #:** O-291-19, **Version:** 1

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DPU AMR/ Amend Ord. 339-18  
Water Distribution  
Abed Semaan (x1702)

**Amending Ordinance 339-18, which authorized the mayor to execute a contract with Johnson Controls, Inc. Automatic Meter Reading / Advanced Metering Infrastructure (AMR/AMI) and Leak Detection Project Development; authorizing the Mayor to execute an amendment and addendum to the contract upon completion of the audit and technical analysis phases of the project to address implementation of system improvements, subject to the limitation that total project costs shall not exceed the savings and additional revenue generated by project improvements over the average life of such improvements; authorizing the expenditure of funds; and declaring an emergency.**

### SUMMARY & BACKGROUND:

Ord. 339.18 authorized a contact with Johnson Controls, Inc. for an Automated Meter Reading (AMR)/Advanced Metering Infrastructure (AMI) and Leak Detection System for the Division of Water Distribution as the lowest and best bidder. Ord. 339.18 and authorized \$700,000 for the project for the initial audit phase of the project. However, the Ordinance it did not authorize necessary amendments to the contract for the implementation phase of the project as provided for in the bid specifications. This Ordinance seeks to correct deficiencies in the original ordinance to allow the project to move forward as originally bid.

The project will be implemented through a performance contract to modify the city's existing domestic water meter system to include the replacements of selected water meters, the implementation of Automated Meter Reading (AMR)/Advanced Metering Infrastructure (AMI), leak detection, and the interface to the existing Department of Public Utilities billing system. The project will improve the system's infrastructure, reduce operating costs, and provide real-time utility consumption and cost data.

The project scope includes: performance of an American Water Works Association (AWWA) water system audit and evaluation, including leak detection analysis and meter data acquisition system (collectively "the system") to determine the efficiency of the system and to identify improvements and operational efficiency measures; conducting a technical feasibility analysis; lifecycle cost analysis of systems and technologies; identification of system improvements that will generate a return on investment for the system; financial analysis to determine estimated savings and new revenue generation to fund improvements, technical design of system improvements; and project management of implementation of improvements to the system's infrastructure. The final phase of the project includes performance management, where JCI will monitor and verify that the anticipated benefits from the project are realized by the City.

Ohio Revised Code section 717.02 authorizes municipalities to enter into installment payment performance contracts for installation of automatic meter reading system or other construction or modifications of water utility systems. The awarding of a contract under this provision is conditioned upon a finding that the amount of money spent on improvements is not likely to exceed the amount of money the municipal corporation would

save in operating, and maintenance costs over the average life of the improvements.

Once the analysis necessary to determine both recommended system improvements, including cost and savings and additional revenue estimates, the city will determine which improvements it will move forward with based on estimated returns on investment. The amendment detailing the implementation phase of the improvements will then be finalized.

The total cost of the project will not exceed the cost savings and additional revenue realized by the City over the average life of the improvements. The performance based contract with JCI will include a guarantee from JCI that the project will be fully paid for over time from utility and operational savings.

This performance contract is as a guide for future implementation of the projects and water service expansions and execution of the performance contract requires additional authorizations left out of the original Ord. 339-18.

NOW, THEREFORE, Be it ordained by the Council of the City of Toledo:

SECTION 1. That Ordinance 339-18 (attached as Exhibit A) shall be amended by renumbering Section 6 of the Ordinance as Section 8.

SECTION 2. That a new Section 6 of Ordinance 339-18 is enacted to read as follows:

SECTION 6. That the Mayor is authorized, upon completion of the audit phase of the project to include a return on investment analysis for recommended improvements, to execute an amendment and addendum to the contract with Johnson Controls, Inc., as authorized in Section 1, to specify the water system improvements to be made under the contract, conditioned upon a showing and a guarantee from Johnson Controls, Inc. that the total cost of the project shall not exceed the amount of savings generated by operational efficiencies and recoupment of lost revenues over the average life of the improvements; and subject to approval by the Director of Public Utilities and Director of Law.

SECTION 3. That a new Section 7 of Ordinance 339-18 is enacted to read as follows:

SECTION 7. That the expenditure of funds to pay for the project improvements are authorized from the Water Replacement Fund to Account Code 6063-34000-4UC1918STDSTD and Sewer Replacement Fund to Account Code 6073-34000-4UC1918STDSTD for a period of years not to exceed the average life of the improvements or such lesser period as saving generated from the improvement will support, subject to the conditions provided in Section 6 and subject to annual appropriations.

SECTION 4. That this ordinance is declared to be an emergency measure and shall take effect and be in force immediately from and after its passage. The reason for the emergency lies in the fact that this ordinance is necessary for the immediate preservation of the public peace, health, safety and property and for the further reason that this ordinance must be immediately effective in order to maintain safe, reliable water service.

Vote on emergency clause: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Passed: \_\_\_\_\_, as an emergency measure: yeas \_\_\_\_\_, nays \_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
President of Council

Approved: \_\_\_\_\_

\_\_\_\_\_  
Mayor

I hereby certify that the above is a true and correct copy of an Ordinance passed by Council

\_\_\_\_\_.

Attest: \_\_\_\_\_  
Clerk of Council