WSSC WATER
DELIVERING THE ESSENTIAL

COMMISSION SUMMARY

AGENDA CATEGORY: Finance

ITEM NUMBER: **DATE:** February 17, 2021

SUBJECT	Approve Mid-Cycle Update for the Proposed Fiscal Years (FYs) 2022-2027 Capital Improvements Program (CIP) and Transmittal to County Governments
SUMMARY **SPECIAL COMMENTS**	This action transmits a request to the Counties to amend the Proposed FYs 2022-2027 Capital Improvements Program (CIP). Section 23-304 of the Public Utilities Article, WSSD Laws, Annotated Code of Maryland provides for amendment of a Proposed CIP by the Prince George's and Montgomery County Councils prior to approval. The Mid-Cycle update provides for revised expenditure schedules for certain projects in the Proposed CIP to align them with the capital program incorporated into the FY 2022 Proposed Budget
CONTRACT NO./ REFERENCE NO.	Not applicable.
COSTS	
AMENDMENT/ CHANGE ORDER NO. AMOUNT	This amendment will decrease the CIP Six-Year Program by $98,362,000 and decrease the FY 22 capital budget by $21,288,000.
MBE PARTICIPATION	Not applicable.
PRIOR STAFF/ COMMITTEE REVIEW **PRIOR STAFF/ COMMITTEE APPROVALS**	Carla A. Reid, General Manager/CEO DS CR Joseph F. Beach, Deputy General Manager for Administration DS JFB Patricia A. Colihan, Chief Financial Officer DS PC Letitia Carolina-Powell, Budget Division Manager DS LC
RECOMMENDATION TO COMMISSION	Approve.
COMMISSION ACTION	

WSSC WATER
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Interoffice Memorandum

TO: COMMISSIONERS

THRU: CARLA A. REID
GENERAL MANAGER/CEO

THRU: JOSEPH F. BEACH
DEPUTY GENERAL MANAGER FOR ADMINISTRATION

DS
CR

DS
JFB

FROM: PATRICIA A. COLIHAN
CHIEF FINANCIAL OFFICER

DS
PC

DATE: FEBRUARY 17, 2021

SUBJECT: MID-CYCLE UPDATE FOR THE PROPOSED FYS 2022-2027 CAPITAL IMPROVEMENTS PROGRAM (CIP)

The attached letter for the Chair's signature transmits our request to revise the Proposed FYs 2022-2027 Capital Improvements Program. Due to the decision to suspend project A-109.00, Advanced Metering Infrastructure, the six-year CIP will be reduced by $98.4 million and the FY 22 capital budget will be reduced by $21.3 million.

A revised project description form is attached and will also be included with the Chair's transmittal letter.

Attachment

c: Deputy General Manager for Operations
Deputy General Manager for Administration
Deputy General Manager for Strategy and Partnerships
Utility Services Director
Budget Division Manager

Advanced Metering Infrastructure

A. Identification and Coding Information		
Agency Number	Project Number	Update Code
A - 000109.00		Change

PDF Date	October 1, 2020
Date Revised	February 17, 2021

Pressure Zones	
Drainage Basins	
Planning Areas	Bi-County

B. Expenditure Schedule (000's)

Cost Elements	Total	Thru FY'20	Estimate FY'21	Total 6 Years	Year 1 FY'22	Year 2 FY'23	Year 3 FY'24	Year 4 FY'25	Year 5 FY'26	Year 6 FY'27	Beyond 6 Years
Planning, Design & Supervision	1,557	1,157	400								
Land											
Construction											
Other											
Total	**1,557**	**1,157**	**400**								

C. Funding Schedule (000's)

WSSC Bonds	1,557	1,157	400								

D. Description & Justification

DESCRIPTION

This project provides for the implementation of a system-wide automated meter reading infrastructure system (System), new comprehensive customer billing system, new data analysis software, and software integration with WSSC Water's data management system. All meters will be replaced and include new Meter Interface Units with internal antenna capable of obtaining and transmitting the meter register reading. All readings will be collected remotely by either a fixed or cellular communication network.

JUSTIFICATION

The System will be required to obtain accurate register readings from a variety of water meters located in indoor, pit-set, and underground vault settings, and be universally compatible with the existing meters in the distribution system.
Dial Outbound AMR Trial Final Report, Metering Services, Inc. (1990); An Economic Evaluation of AMR for WSSC, Marilyn Harrington (1992); Cost of Meter Reading Study, Marilyn Harrington (2000); The WSSC Experience with Radio-Frequency AMR on Commercial & Industrial Meters (2002); Radio Frequency Solution for Meter Reading (2003); AMR Phase I (July 2005); Customer Care Team Departmental Action Item#20 - AMR Installation (2007); Advanced Metering Infrastructure Study, R.W. Beck (March 2011); 2020 AMI Cost-Benefit Analysis, Arcadis (October 2020).

COST CHANGE

At their November 18, 2020 meeting the Commissioners voted to suspend the project indefinitely.

OTHER

The project scope has changed to reflect the replacement of all meters. AMI will improve both customer service and operational efficiency. The expected results include: Monthly billing based on actual meter readings. This would reduce bill size to help customers stay current with their payments, help customers develop a greater awareness of their water consumption, and ensure that problems such as excessive consumption due to leaks are addressed more quickly; Active notification of customers with abnormal consumption that might signify leaks before they get high consumption bills; Reduced customer calls; Reduced field investigation visits; Provide opportunities to employ more sophisticated rate structures; Analysis of individual consumption patterns to detect meters suspected of wearing out, or perform meter sizing analysis to ensure that large meters are optimally sized; Monitoring of individual consumption to perform precise, targeted conservation enforcement during droughts; Opportunities to improve the monitoring and operation of the distribution system, in order to detect and reduce non-revenue water. The expenditure estimate is based upon the October 2020 analysis. These estimates could change based upon the latest technology available at the time the project is bid. The AMI project schedule was delayed until the implementation of the new customer billing software, Customer2Meter (C2M) was complete. Due to the COVID-19 pandemic, planned public meetings were suspended and the project was postponed. At their November 18, 2020 meeting the Commissioners voted to suspend the project indefinitely.

COORDINATION

Coordinating Agencies: Montgomery County Government; Prince George's County Government
Coordinating Projects: Not Applicable

E. Annual Operating Budget Impact (000's)		FY of Impa
Staff & Other		
Maintenance		
Debt Service		
Total Cost		
Impact on Water and Sewer Rate		

F. Approval and Expenditure Data (000's)

Date First in Program	FY
Date First Approved	FY
Initial Cost Estimate	86,0
Cost Estimate Last FY	99,6
Present Cost Estimate	1,5
Approved Request Last FY	20,6
Total Expense & Encumbrances	1,1
Approval Request Year 1	

G. Status Information

Land Status	Not Applica
Project Phase	Plann
Percent Complete	80
Estimated Completion Date	TBD

Growth	
System Improvement	100%
Environmental Regulation	
Population Served	1,800,000
Capacity	

H. Map

MAP NOT AVAILABLE