

Staff Report

TO: Board of Directors

FROM: Steve L. Prosser, Jr., Director of Maintenance

DATE: September 23, 2026

SUBJECT: Badger Meter Purchase Order (Consent)

MAINTENANCE

RECOMMENDATION:

Approve a sole source Purchase Order to Badger Meter, Inc. in the amount of \$250,000.00 for the purchase of meters and endpoints and authorize the General Manager to execute the appropriate documents.

BACKGROUND:

In late 2015, the District selected Badger Meter as the equipment brand for implementing its Meter Replacement Program. The Program's goal is to replace/upgrade all treated drinking water meters for +21,000 commercial and residential customers (connections).

The Badger meters being installed by the District utilize two different "endpoints" that provide either cellular (AMI) or mobile (AMR) capabilities, which allow the District to collect data via automated cellular networks or drive-by mobile reading:

- Advanced Metering Infrastructure (AMI) – These meters have the technology to automatically collect consumption, diagnostic and status data from customer meters.
- Automatic Meter Reading (AMR) – In areas where cellular signal is not reliable, technicians drive by these meters with a data receiver to collect the same data.

Since implementing the Meter Replacement Program, District personnel from both the Maintenance and Customer Service departments have essentially completed all meter replacements throughout the North Auburn, Lake of the Pines and Smartsville systems. The majority of meters still needing replacement are located in the greater Grass Valley and Nevada City areas.

Below are approximate meter replacement counts as of the end of August 2026:

• Treated Drinking Water Customers/Connections	+21,000
• Meters – Replaced	<u>16,979</u>
• Meters – Replacements Remaining	4,021

BUDGETARY IMPACT:

The District's Procurement Policy allows for the "Sole Source purchasing of goods," as defined below:

- **3080 Procurement**

- 3080.8 Bidding and Quote Requirements**

- E. Sole Source.** Sole Source purchasing of goods or execution of a contract for services with one vendor or service provider without requesting and/or obtaining informal or formal bids from multiple vendors or service providers is allowed when the procurement is in the best interest of the District. Typically, Sole Source procurement applies to those items or services that are only provided by one consultant, contractor, or vendor or when the item to be purchased needs to match existing equipment or parts that the District owns. Sole source contracts may also be awarded to consultants that have a high level of knowledge of the District's infrastructure, operations, or regulatory requirements and experience working with the District. All Sole Source purchases must have documentation that substantiates that it is in the District's best interest to not obtain multiple bids, proposals, or quotes.

Executing a Purchase Order contract with Badger Meter, Inc. complies with the District's Procurement Policy.

This purchase of meters and endpoints will replace approximately 800 residential units, reducing the outstanding replacement balance from 4,021 to 3,221 meters.

The Meter Replacement Program is anticipated to continue for another 3 to 4 years, depending on the available funds each year going forward.

FISCAL IMPACT:

Sufficient funds are available in the Maintenance Department's 2026 Operations and Maintenance Budget (Treated Water Division, 104000) to cover this \$250,000.00 maximum purchase.

SLP/jjv

Attachments: (0)

- None