



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

PREPARED BY: Lincoln Bogard, Administrative Services Director
Lincoln Bogard, Administrative Services Director

MEETING DATE: August 27, 2024

SUBJECT: Presentation and consideration of the Results of the Time Study and Associated Cost Analysis of the Itron Electric Meter Failures Due to Mesh Communication Issues that Resulted in Reprogramming and Replacing Impacted Electric Meters

RECOMMENDATION:

Receive and file presentation and provide direction to staff regarding seeking reimbursement from Itron for meter reprogramming and exchange costs.

BACKGROUND:

The City undertook an Openway AMI Project to automate electric meter reads for all electric meters. Itron was selected as the vendor to provide the AMI "Smart" Meters. During the AMI rollout, there were several issues with the Itron meters. Initially, a large number of meters required replacement due to faulty batteries that resulted in Fatal 5 Errors if the batteries failed prior to connecting the meters to the automated reads from the collectors. After that, a significant percentage of meters failed due to a problem with the mesh network connection option. The meters could communicate with the collectors, but if they could not communicate with a collector, the default was for it to change over to the mesh network and communicate with another nearby meter. That process was supposed to allow the nearby meter to communicate both reads to the collector, but a programming issue resulted in both meters going offline and neither communicating to the collectors. This effect was "contagious" and ended up impact thousands of meters throughout the City.

Staff informed Council of the issues and has now performed a time study and cost analysis for the massive effort required to correct the situation. Itron has offered to work with the City to reimburse some or all of the costs of the meter reprogramming and exchanges.

JUSTIFICATION:

The initial warranty period for the meters was three (3) years from the date of shipment.

Additional Warranty Terms: Itron shall perform the repairs or updates with reasonable care and in a diligent and competent manner. Itron's sole obligation in connection with repair or update failures shall be, at its option, to correct or re-perform repairs/updates or refund to Customer the amount paid for the repairs/updates. Customer must report any deficiencies in repair work to Itron in writing within 90 days of shipment to receive the remedies described herein.

FISCAL IMPACT:

Potential recovery from Itron of City staffing costs of \$627,428 to address and correct the issues with the

electric meters.

Work Order / Project	Amount per Meter
WF0254708	\$ 4.91
WF0240168	\$ 109.74
WF0271788	\$ 30.99
EL2408	\$ 11.16
UTILLBILL	\$ 47.58
Total Per Meter	\$ 204.37

Total Cost (3,070 Meters) \$627,428

ALTERNATIVES:

Receive and file and direct staff not to seek reimbursement for expenses.

BUDGETED?:

No

CONTRACT/AGREEMENT:

No