

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: CHAIR AND BOARD MEMBERS
FROM: KEVIN BUCHANAN, BUDGET & FINANCIAL ANALYSIS
MANAGER, WATER DEPARTMENT
SUBJECT: APPROVAL OF FLEXNET SYSTEM SOFTWARE HOSTING AND
MAINTENANCE ANNUAL SERVICES AGREEMENT WITH AQUA-
METRIC

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities, by motion, waive the competitive process and approve the sole source Annual Services Agreement with Aqua-Metric, in an amount not to exceed \$880,920.71.

EXECUTIVE SUMMARY

Santa Rosa Water has had an ongoing annual services agreement with Sensus USA, Inc. (Sensus) for hosting and maintenance of the FlexNet System software (Software) for the operation of Santa Rosa Water's Advanced Metering Infrastructure (AMI). Last year, Sensus decided to no longer provide this service and instead Sensus has arranged for their authorized reseller, Aqua Metric, to take on these services. Aqua-Metric will provide annual services of the FlexNet Systems for a period of up to ten years in a not to exceed total amount of \$880,920.71.

BACKGROUND

On July 21, 2016, the Board of Public Utilities (BPU) approved an agreement with Sensus as the product manufacturer for the AMI project. Since then, Santa Rosa Water completed the build-out of its AMI deployment using the Sensus Flexnet system.

AMI provides customer usage data to the water billing team so that staff no longer need to manually read every water meter each month. However, the electronic network needs annual support and maintenance when technical issues arise that Water staff are unable to resolve. Examples may include base station outages, gaps in reads, and register malfunctions. Without hosting and maintenance support of the Software, meter usage data would not be imported into the billing software and staff could not bill customers unless meters were manually read.

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On July 21, 2016, the Board, by motion, approved various contracts related to the adoption and implementation of the Meter Upgrade Project Advanced Metering Infrastructure (AMI), which included a contract with Sensus for hosting and maintenance of the Software.

ANALYSIS

Santa Rosa Water had an agreement with Sensus for hosting and maintenance of the Software since initial implementation of AMI in 2016. In 2025, Sensus informed Santa Rosa Water that they would no longer be providing the hosting and maintenance services directly but would instead provide those services through their third-party reseller, Aqua-Metric. Aqua-Metric will handle all system support, including coordinating with Sensus if needed to troubleshoot issues. The AMI lifecycle has long been estimated to be at least 20 years. The AMI project was completed in 2021. In order to realize full return on investment, the Water Department should continue to work with the Sensus/Aqua-Metric networks until at least 2041.

Aqua-Metric has provided a quote with initial pricing and a 3% escalation per year. The City has determined that this is a reasonable price escalation and is comparable to other Water vendors with multi-year contract. The initial term would be for 5 years with the option to renew for an additional five-year term. Extending the contract to the full ten-year term would extend through Fiscal Year 2036, still within the 20-year lifespan of the AMI network. Water staff will continually analyze this contract to look for other cost-effective options if something should become available.

A waiver of competitive bidding is appropriate under City Code section 3-08.100(D) because the City has already adopted and implemented the AMI system and Aqua-Metric is now the exclusive provider of hosting and maintenance for these systems as a Sensus third-party reseller.

FISCAL IMPACT

Approval of this contract has no additional budget impact, as this is an ongoing expense that is budgeted annually.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it consists of administrative activities related to software hosting and maintenance services and does not have the potential to result in a direct or reasonably foreseeable indirect physical change in the environment. In the alternative, the action is exempt pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Annual Services Agreement with Quote

PRESENTER

Kevin Buchanan, Budget & Financial Analysis Manager