



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING
Wednesday, August 13, 2025**

SUBJECT

Increase Capacity of Sole Source Contract with Ferguson Enterprises, LLC for Kamstrup AMI Meters

BACKGROUND

On January 8, 2025, the Public Service Board approved a sole source contract with Ferguson Enterprises, LLC for the supply of Kamstrup AMI Meters in the annual estimated amount of \$17,000,000. This contract supported EPWater's accelerated plan to complete a systemwide meter replacement over four years instead of the original ten. The transition to Kamstrup ultrasonic meters has significantly improved metering accuracy, leak detection, and billing efficiency.

EPWater's meter installation rate has increased substantially due to the dedicated contractor and internal crews. To maintain this momentum and respond to field needs and customer growth, additional meter quantities are required beyond the current contract annual limit.

PSB PRIOR ACTION

- On March 9, 2022, the Public Service Board approved a ten-year sole source contract with SecureVision of America, Inc. for Kamstrup meters.
- On October 11, 2023, the Public Service Board approved a Consent to Assignment from SecureVision to Ferguson Enterprises, LLC.
- On January 8, 2025, the Public Service Board approved a sole source contract with Ferguson Enterprises for \$17 million annually for Kamstrup meters for a term of one year with three one-year options to renew.

UTILITY KPI ALIGNMENT

Infrastructure Performance

EVALUATION PROCESS

Ferguson Enterprises, LLC remains the sole source distributor for Kamstrup AMI Meters, providing exclusive technical and commercial support for EPWater's unique meter configuration. Annual sole source documentation has been reviewed and verified.

FINANCIAL IMPLICATIONS

Sufficient funds are available in various accounts. This expenditure is part of the FY2025-26 budget.

PROPOSED ACTION REQUESTED

Consider and approve an increase to the annual sole source contract with Ferguson Enterprises, LLC, for the purchase of Kamstrup AMI Meters in accordance with Section 252.022(a)(7)(A) of the Texas Local Government Code, for an additional amount of \$25,000,000 for the current contract year for a total estimated amount of \$42,000,000 and an additional \$20,000,000 for option year one for a total estimated amount of \$37,000,000 if it is exercised.

SUPPORTING DOCUMENTATION PROVIDED

- None

