

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MEMORANDUM

DATE: SEPTEMBER 24, 2019

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: 
ELIZABETH WELLS, Customer Service Supervisor


CATHERINE CERRI, General Manager

SUBJECT: ZENNER STEALTH METER INTERFACE UNIT
REPLACEMENT PROJECT NO. 0211

A. RECOMMENDATION

Purchase 3,407 Zenner Stealth Meter Interface Units (MIU's) to replace the Datamatic Fireflies that are no longer under warranty. These need to be replaced before they fail and valuable data is lost.

B. REASON FOR RECOMMENDATION

Lake Arrowhead Community Services District (District) needs to maintain the data infrastructure and be fiscally responsible by replacing the failing Datamatic Fireflies with Zenner Stealth MIU's. The current agreed price, which includes the warranty, will expire at the end of 2019. Currently the District is purchasing the Stealth MIU's at a cost of \$75.00 as opposed to the cost of \$100.00 per unit that is being charged to other entities. Zenner is anticipating the pricing of each MIU to increase by 7% beginning January 1, 2020.

C. BACKGROUND INFORMATION

The District started utilizing smart meter reading technology in 2008. At that time Datamatic LTD. was the supplier for this technology. In 2012, they filed for

bankruptcy protection which voided the Firefly infrastructure warranty. After Datamatic filed for bankruptcy, the technology was purchased by Zenner Performance. At that time, the District entered into an agreement with Zenner to purchase the Stealth MIU's along with the warranty at a fixed amount. The District is currently replacing an average of 60 Fireflies per week and during the winter this number is expected to increase considerably. MIU's have an estimated ten-year useful life which has now come to an end and the District is experiencing a higher failure rate on these particular models.

On January 22, 2019, the Board of Directors approved a warranty contract with Zenner which extended the warranty on the Firefly replacements that were already installed. This purchase will be covered by Zenner's standard warranty which is 100% for 10 years and prorated for an additional 10 years.

D. FISCAL IMPACT

There is available funding from the budgeted meter replacement project that was reduced in scope. Funding will be provided by the Water Capital Improvement Fund 110. The cost for the replacement of the 3,407 MIUs with Lid Locks (\$4.50 each) will be \$291,856.50 including tax. There will be a small additional expenditure for grease pods, connectors and shielding necessary for the installation of the replacement MIUs. This additional cost will be approximately \$13,500.00. All labor will be performed by District employees. Making this purchase before the end of the year may save the District up to \$17,900 and will ensure that all MIU's are covered by a warranty.

E. ENVIRONMENTAL IMPACT

All work will be conducted inside existing meter boxes which is not subject to the California Environmental Quality Act.

F. ATTACHMENTS

Zenner Warranty



STEALTH READER MIU LIMITED WARRANTY

PRODUCTS COVERED

This limited warranty ("Warranty") shall apply to any Zenner USA "Stealth Reader" Water Meter Interface Unit sold by Zenner USA or its authorized agent on or after November 01, 2013 hereinafter referred to as "Product(s)". This warranty is extended only to a utility, municipality, or other authorized commercial user, hereinafter referred to as a "Customer".

LIMITED WARRANTY

Zenner USA, hereinafter referred to as "Zenner", warrants Product supplied hereunder to be free from defects in materials and workmanship for a period of ten (10) years from the date of original shipment. Battery life is warranted for ten (10) years from the date of original shipment. A one-time, additional 10-year prorated warranty is also offered according to the prorated chart in this document at Customer's sole expense. Customer shall provide written request to Zenner, along with applicable payment, to extend warranty within six (6) months of the expiration of the initial warranty term.

PRODUCT RETURNS AND WARRANTY CREDIT

If the Customer believes that a Product has failed in such a manner as to be covered by the provisions of this Warranty, the Customer shall contact Zenner and obtain a Return Materials Authorization ("RMA") number prior to shipping any Product for claims under this Warranty. The Customer shall be solely responsible for shipping any Product to the designated Zenner return facility and for clearly identifying the nature of the Warranty claim. Zenner does not warrant the Product or its operation to be error free. Any Product received and proven to Zenner's sole satisfaction to have failed per the terms of the Warranty shall have earned a "Warranty Replacement Credit" and may, at Zenner's option, be repaired or replaced with a "Replacement Product". Replacement Product shall carry the same warranty as the original Product except the warranty term shall not extend. A Warranty Replacement Credit may be redeemed for Replacement Product and does not have any other value. During the Warranty Period, a Warranty Replacement Credit toward Replacement Product shall be 100%. Replacement Product shall be returned to the Customer at Zenner's expense. If the Product returned by the Customer is not a failed Product or the Customer has returned the Product to Zenner without a valid RMA the Customer shall pay shipping charges for returning the Product to the Customer. Customer shall assume and be responsible for all costs of removing the original Product and of reinstalling the Replacement Product.

LIMITS OF LIABILITY AND DISCLAIMER

This warranty shall not apply to Products that have been repaired or altered by any party other than Zenner, including, but not limited to, the cutting of the attached bare wire to the MIU to a length less than twelve (12) inches. This warranty shall not apply to Products that have been installed or programmed by or under the direct supervision of any person who was not a Certified STEALTH READER MIU Installer at the time of installation. The warranty herein applies only to the extent that the Products are installed, operated and trouble-shot strictly in accordance with Zenner's specifications provided at the time of Product purchase. This Warranty shall not apply to devices of any kind, including, but not limited to, meters, encoders or registers, to which the Products may be attached or to defects in same. Any use of meter reading equipment not approved by Zenner with the Products shall void this Warranty. The Warranty shall not apply to Product exposed to conditions other than those detailed in product technical literature and Installation, Operation, Instruction Manuals, including but not limited to Product which has been exposed to erosive or corrosive liquids or gases, or which has been subject to vandalism, negligence, accident, acts of God, improper installation, operation or repair, alteration,



unqualified and/or improperly functioning registers, obsolete devices and/or equipment, or other circumstances which are beyond Zenner’s reasonable control.

NOTWITHSTANDING ANY OTHER PROVISION OF THIS WARRANTY, IN NO EVENT SHALL ZENNER’S LIABILITY EXCEED THE PURCHASE PRICE OF THE PRODUCT DEEMED DEFECTIVE.

EXCEPT FOR THE WARRANTY SET FORTH HEREINABOVE, ZENNER MAKES NO EXPRESS OR IMPLIED WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS AND/OR PRODUCTS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY, (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, OR (C) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

Any description of the Products, specifications, samples, models, bulletins, drawings, diagrams, engineering sheets or similar materials used in connection with any Customer’s order, whether in writing or made orally by Zenner or Zenner’s agents, are for the sole purpose of identifying the products and shall not be construed as an express warranty. Except as provided herein, any suggestions, written or oral, by Zenner or Zenner’s agents regarding use, application, or suitability of the Products shall not be construed as an express warranty.

IN NO EVENT SHALL ZENNER BE LIABLE FOR ACTUAL DAMAGES ARISING FROM TORT CLAIMS OR THIRD PARTY BREACH OF CONTRACT CLAIMS, OR FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INDIRECT, CONTINGENT, INCIDENTAL OR PUNITIVE DAMAGES, (INCLUDING, WITHOUT LIMITATION, LOST DATA, LOST SAVINGS, LOSS OF REVENUE, UTILITY COST RECOUPMENT, OR PROFITS), REGARDLESS OF FAULT, AND REGARDLESS AS TO WHETHER CUSTOMER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND WHETHER OR NOT SUCH DAMAGES WERE FORESEEABLE.

IN ADDITION TO THE WARRANTY TERMS CONTAINED HEREIN, THE STEALTH READER MIU WARRANTY IS ONLY VALID IF OPERATED IN 20-MINUTE MESH MODE OR 5-SECOND NON-MESH MODE.

YEAR	STEALTH READER REPLACEMENT PRORATED PERCENTAGE*
11	30% of List Price
12	40% of List Price
13	50% of List Price
14	50% of List Price
15	60% of List Price
16	70% of List Price
17	75% of List Price
18	80% of List Price
19	85% of List Price
20	90% of List Price
*List Price is defined as the current price of the Product in the corresponding year.”	