COMMISSION
AGENDA MEMORANDUM **Item No.** 10a

ACTION ITEM **Date of Meeting** September 9, 2025

DATE: August 29, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Keri Stephens, Director, Aviation Facilities and Capital Programs
Eileen Francisco, Director, Aviation Project Management

SUBJECT: Utility Meter Networking (CIP# C801240) – Construction Authorization

Amount of this request:	$31,175,000
Total estimated project cost:	$35,525,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise, award, and execute a major works construction contract; (2) execute related project change orders, amendments, work authorizations, purchases, contracts, and take other actions necessary to support and deliver the Utility Meter Networking project within the approved budget; and (3) authorize use of Port of Seattle crews to support construction activities. This request is for $31,175,000 of a total estimated cost of $35,525,000.

EXECUTIVE SUMMARY

The Port of Seattle's Aviation campus currently has approximately 750 electric meters distributed throughout the facility. Most of these meters are outdated, nearing the end of their service life, incompatible with centralized management software, and non-compliant with current energy code requirements.

This project will replace many of the aging and failing meters with new standard electric meters and connect them to a centralized software system capable of reading and storing meter data. This upgraded, networked metering system will enable the Port to comply with current energy codes, Clean Building Standards, and accurately bill tenants, and track the airport's total energy demand. This will provide critical data for improved utility management and planning.

JUSTIFICATION

The Port of Seattle must comply with the Washington State Energy Code for any permitted alterations, repairs, or modifications. In addition, buildings over 20,000 square feet are subject

to the Clean Buildings Performance Standard, which legally requires energy benchmarking, energy management planning, and achieving specific energy efficiency targets. The Port is required to begin compliance and reporting by June 1, 2026.

This project enables the Port to meet the requirements of the updated Washington State Energy Code (WSEC 2018, Section C409), the Clean Buildings Performance Standard, and IEEE Standard 1547. As part of the project, many electrical meters across the Seattle Tacoma International Airport campus will be upgraded to a new standard. These upgrades will improve system performance and ensure a more stable and reliable power distribution network.

The new meters will provide staff with advanced tools for diagnosing and troubleshooting power quality issues, enabling faster and more effective responses. They will also support efforts to identify and prioritize energy efficiency improvements, in alignment with both the Clean Buildings Performance Standard and the Port's Century Agenda goal of becoming the greenest, most energy-efficient port in North America.

Diversity in Contracting

The construction services to be procured have a 10% WMBE aspirational goal.

DETAILS

Scope of Work

Replace and network old and failing electric meters throughout the Aviation campus.

(1) The meters will be replaced (approximately 750 meters) with the Port standard meters.
    a. The construction contractor will purchase meters and fiber infrastructure.
(2) Meters will also be networked into the existing Port of Seattle infrastructure.
    a. New switches and fiber will need to be installed and purchased to connect some of the new meters into the Port of Seattle network.

Schedule

Commission construction authorization	2025 Q3
Construction start	2026 Q1
In-use date	2027 Q3

Cost Breakdown	This Request	Total Project
Design	$0	$4,350,000
Construction	$31,175,000	$31,175,000
Total	$31,175,000	$35,525,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Status Quo. Do not proceed with the project.

Cost Implications: Expense approximately $1,250,000 for design development costs.

Pros:

(1) Delays or defers capital investment.

Cons:

(1) Doesn't update meters to meet current code requirements and pushes work off to the future.
(2) Meters currently installed do not have easy replacements available, resulting in large maintenance costs.
(3) Data analysis of current meters is cumbersome for billing and power quality evaluations.

This is not the recommended alternative.

Alternative 2 – Replace and network meters within the current budget.

Cost Implications: $35,525,000 in capital costs.

Pros:

(1) Provides networking for data analysis, load, demand evaluation, and usage billing for tenants.
(2) Makes meters code compliant (WEC 2018, Clean Building Performance Standard, and IEEE 1547).
(3) Meters will be easier to maintain being from one manufacturer.

Cons:

(1) Capital costs.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$35,525,000	$0	$35,525,000
AUTHORIZATION			
Previous authorizations	$4,350,000	0	$4,350,000
Current request for authorization	$31,175,000	0	$31,175,000
Total authorizations, including this request	$35,525,000	0	$35,525,000
Remaining amount to be authorized	$0	$0	$0

Annual Budget Status and Source of Funds

This project C801240 was included in the 2025-2029 capital budget and plan of finance with a budget of $35,525,000. The funding sources will be the Airport Development Fund and revenue bonds.

Financial Analysis and Summary

Project cost for analysis	$35,525,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	$0.09 in 2028

Future Revenues and Expenses (Total cost of ownership)

As a result of this project, Aviation Maintenance may see a small decrease in preventative maintenance support and less manual meter support. This is due to the new meters being more reliable with spare parts readily available and now the data can be accessed virtually through the fully networked system.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 13, 2023 – Design Authorization