

## Staff Report

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**Report To:** Operations Committee  
**Report From:** Michelle Palmer, Interim Director of Public Works and Engineering  
**Meeting Date:** September 24, 2026  
**Report Code:** OP-26-045  
**Subject:** Water Meter Replacement Project Update

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### Recommendations:

THAT in consideration of Staff Report OP-26-045 respecting the Water Meter Replacement Project Update, the Operations Committee recommends that City Council receive the report for information purposes.

### Highlights:

- The City has successfully completed Phase 1 of the Water Meter Replacement Project, replacing 98.69% of more than 7,000 aging water meters with modern, remotely read meters that improve accuracy, reliability, and operational efficiency.
- The project is now entering Phase 2 with the launch of the Neptune My360 customer portal, providing residents with near real-time water consumption data, leak alerts, and tools to better manage water use and avoid unexpected bills.
- The new metering system supports the City's long-term goals of water conservation, customer service excellence, and modernization of municipal services.

### Vision 2050 - Strategic Plan Alignment:

[Strategic Plan](#) Priority: Green and Resilient City - Strengthening the City's environmental, social, and economic ability to mitigate and adapt to the

climate crisis. Also, leveraging the city's natural resources and infrastructure to support healthy lifestyles.

### **Previous Report/Authority:**

[OP-24-023 3.A.5. - City-Wide Conversion of Radio Water Meters](#)

[CR-24-139 Award of RFP-24-016 – Water Meter Replacement Program](#)

[OP-25-027 Water Management By-law](#)

[OP-25-033 Water Management By-law](#)

[OP-25-043 Flat Rate Water Charge and Water-Related Fee Amendments](#)

### **Background:**

The water meter replacement project was identified during the 2023 Service Review and subsequently approved as part of the 2024-2028 Capital Plan.

A comprehensive water meter replacement project ensures we meet our legislative responsibility toward operational efficiency and water conservation. The basic function of a water meter is to log the amount of water consumed by the property to facilitate fair and accurate billing of water services.

This project included the replacement of almost 7200 residential and commercial water meters throughout the City that were past their useful life and required a manual meter-reading system. The objective was to replace the aging water meters with modern meters which have improved accuracy and a water meter reading system that enables remote reads using Radio Frequency (RF). The new metering technology enables remote communication between individual water meters and the City.

The original timeline for the project was to undertake the procurement in 2023/2024, with the installation of the new water meters being completed in 2025.

The contract was awarded to Neptune Technology Group (Canada) Limited for the supply and installation of the meters in December 2024 through a competitive public procurement process. Meter installations began in April 2025, with substantial completion by Neptune in January 2026.

## **Challenges Experienced During Phase 1:**

Gaining access to private property to install the new water meters was identified early as a common challenge with this type of initiative. Providing access to install a meter is mandatory under the City's Water Management By-law (By-law No. 2025-090), and overall customer cooperation was above industry standards compared to other municipalities' experiences.

One concern raised by some customers is that using RF to transmit water consumption data to the City's servers may pose health risks or create a potential for personal information to be breached. To address this concern, the City worked closely with Neptune, which provided data showing that RF levels from the water meters do not pose a health risk and that the transmitted information contains no sensitive information.

## **Analysis and Options:**

The project has reached substantial completion of Phase 1 (the installation phase), with 98.69% (or 7,077 meters) of the meters replaced, and is now entering Phase 2, which involves implementing an online system, Neptune My360 Consumer Portal.

## **Final Completion of Phase 1 (Meter Replacement):**

As part of the agreement, Neptune, the City's contractor, was responsible for contacting all customers up to six times to arrange for an installation. Since substantial completion of Phase 1 by Neptune, City staff have worked with the remaining accounts to install new water meters. Since the beginning of May 2026, Finance staff and Water Distribution staff have collaborated to contact account holders and have installed 157 water meters. Currently, 94 water meters still need to be replaced. Staff have extended the contract with Olameter (the service provider which completes manual readings) until December 31, 2026. After that, the accounts will be billed based on historical water consumption. For the remaining water meters, registered letters have been sent to the account holders, with 23 letters being returned. Finance and By-law staff are working together to hand-deliver those 23 letters by the end of September. All accounts which have received a registered letter and have not responded, or that confirm refusal to have the water meter replaced, will be billed the administration fee of \$50 per month on their next billing cycle in accordance with the Fees and Charges by-law.

## **Ongoing Challenge:**

The new water meters use an innovative chamber design with a nutating disc. The chamber can only rotate as it fills and empties with water; therefore, the register can move only when water is passing through. Because the new water meters are more precise, some customers may have noticed higher water usage on their bills.

## **Phase 2 Neptune My360 Portal:**

The Neptune My360 portal gives customers real-time water usage data and customizable water-use alerts. This will provide better awareness of potential water losses, allowing residents to address issues before they become significant problems. Key benefits of the Neptune My360 portal are:

- Easily view and manage water usage 24 hours a day, 7 days a week, 365 days a year;
- Accessible from any desktop, laptop, tablet, or mobile device;
- Ability to set out-of-town alerts to monitor consumption and detect potential leaks; and
- Enables the creation of water threshold alerts to set a water budget, help save water, and eliminate bill surprises.

Neptune My360 will be accessed from a link on the City's website, and to activate a Neptune My360 account, customers will need their account number and either their full name or street address.

Staff have been working with the service provider to configure the system and soft-launched Neptune My360 in the summer of 2026. Neptune My360 will launch formally at the end of September, with ongoing communications throughout the Fall and Winter to encourage customers to sign up and begin using the portal.

## **Phase 3 Transition to Monthly Water Billing (Future):**

Currently, the majority of water accounts are on a staggered three-month billing cycle. This was due to the volume of manual reads required. By shifting to the RF reads, the City can look at transitioning to monthly billing cycles. Monthly bills are smaller and easier for customers to budget for compared to receiving a larger bill every two or three months. More frequent billing keeps water usage top of mind as customers can see the impact of conservation efforts much faster and adjust their behaviour accordingly. For the City, the benefits for monthly billing include improving cash flow and lowering the accounts receivable risk as staff can contact customers earlier

and establish payment arrangements before balances become significant. As staff work toward the development of a five-year plan for all projects (operational and capital), the timing of Phase 3 will be determined.

## **Resource Alignment:**

### **Financial Resources**

\$3,500,000 (funded through debenture) was approved in 2023 for the water meter replacement project. The budget did not include a contingency. A typical contingency is between 5-15% of a total project budget of this nature. The project is approximately 4.5% over budget, with \$3,658,000 spent, which will be incorporated into the debenture. No further costs are expected for this project.

### **Human Resources**

The follow-up required on the outstanding water meters to be replaced has been labour-intensive for staff. To achieve our goal, the City plans to use more direct engagement, along with continued application of billing based on historic consumption and the application of fees in accordance with the Fees and Charges by-law.

### **Time and Scheduling**

Phase 1 and 2 of this project are expected to be considered fully complete in November 2026.

### **Technology and Infrastructure**

There are step-by-step videos to help customers activate the Neptune My360 portal access, and there will be ongoing customer support from the service provider.

## **Climate and Environmental Impacts:**

The implementation of the Neptune My360 online portal will enable customers to detect leaks, manage and conserve water which supports climate mitigation actions. In addition, by eliminating the use of meter reading vehicles, there will be a reduction in emissions.

The recommendation supports the City's Climate Mitigation Plan.

## **Communication and Engagement:**

The City's water customers were significant stakeholders in this project and therefore a comprehensive communications plan was developed. The City and Neptune used a variety of communication tools to educate customers on the Water Meter Replacement project, including the creation of a dedicated project page on the Our City website, several direct mail letters, and messaging in water bill statements.

For the launch of the Neptune My360 portal, communication tactics will focus on educating residents about the benefits of the portal, including access to near real-time water consumption information, leak detection alerts, and enhanced visibility into household water use. External Communications will emphasize resident empowerment, transparency, and self-service while supporting the City's broader goals of customer service excellence, responsible resource management, and modernization of municipal services. Information to residents will be delivered through multiple channels, including the City's website, social media, customer notices, and front-line customer service resources to encourage widespread awareness, registration, and ongoing use of the Neptune My360 portal.

## **Report Developed in Consultation With:**

Manager of Finance, Director of Corporate Services, Water Distribution Superintendent and the Manager of Water and Wastewater.

## **Attachments:**

1. Attachment 1 – Overview of My360

### **Reviewed by:**

Tim Simmonds, City Manager

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Michelle Palmer, Interim Director of Public Works and Engineering at [mpalmer@owensound.ca](mailto:mpalmer@owensound.ca) or 519-376-4440 ext. 1246.