



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:	1 st Reading	2 nd Reading	
4/23/2025	24-164	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
			Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
			Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:		
N/A	N/A	N/A	N/A		
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Settlement and Release Agreement	Geovanne Neste, Finance Director	Finance		
Strategic Plan Focus Areas:					
<input checked="" type="checkbox"/> Fiscal Stability	<input checked="" type="checkbox"/> Resident Services	<input checked="" type="checkbox"/> Public Safety	<input checked="" type="checkbox"/> Infrastructure & Mobility	<input type="checkbox"/> Economic Development & Affordable Housing	
Implementation Timeline:					
Estimated Start Date: 4/23/2025			Estimated End Date: 2/28/2026		

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING EXECUTION OF SETTLEMENT AGREEMENT WITH SENSUS USA, INC. AND CORE AND MAIN LP FOR REPLACEMENT WATER METERS; AND PROVIDING FOR AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Nearly 3,000 of the City's small water meters (1" and under) stopped sending accurate readings, forcing costly manual reads and estimated bills. After two years of negotiations, staff reached a no-fault Settlement & Release Agreement with Sensus USA (manufacturer) and Core & Main LP (distributor). The agreement:

- Replaces every faulty meter with proven Sensus iPERL technology:
 - 1,500 meters free of charge, and

- 1,650 meters purchased at discount warranty pricing.
- Gives the City a \$36,000 credit for meters we already replaced.
- Transfers most installation and disposal costs to the vendor.
- Extends a 10-year warranty on all new meters.

This settlement covers only the procurement of discounted, warranty-priced small meters; all remaining purchases required to complete the AMI remediation, including larger-diameter meters, FlexNet software/hardware, and related appurtenances, are consolidated in companion Agenda Item 25-141 so that the entire project budget is captured in a single Commission action.

Background:

Beginning in 2015, Hallandale Beach rolled out an Advanced Metering Infrastructure (AMI) program built around Sensus AccuSTREAM meters. For the first few years the system functioned as expected; however, by 2020 staff noticed a sharp uptick in meter failures. These malfunctions produced inaccurate or missing reads, triggered an escalation in manual field work, and generated a growing number of customer billing complaints. To keep utility bills flowing, Public Works launched an interim, phased replacement program, swapping out the worst-performing units while the root cause was investigated.

As the scale of the problem became clear, staff returned to the Commission in December 2022 to request authority, and funding, to pursue a comprehensive fix. The Commission approved \$1.346 million for materials and empowered staff to negotiate directly with Sensus and its distributor, Core & Main, to secure relief beyond what an off-the-shelf warranty could provide.

Over the course of 2023 and 2024, City negotiators met repeatedly with Sensus and Core & Main, exchanging data, failure analyses, and cost scenarios. Those efforts culminated in early 2025 with the Settlement & Release Agreement now before the Commission. The agreement resolves all outstanding claims related to the faulty AccuSTREAM meters, establishes a clear schedule for replacing every small meter in the system with proven Sensus iPERL technology, and delineates the financial and operational responsibilities of each party going forward.

Current Situation:

After two years of negotiations, the parties have arrived at a ready-to-execute Settlement & Release Agreement that will close out the small-meter failures and restore confidence in the City's Advanced Metering Infrastructure. A draft scope of work, detailing installation sequencing, safety requirements, quality checks, and data-validation steps, is now in legal review and will be attached as an exhibit to the final agreement.

What the agreement delivers:

- Full replacement of every remaining small meter. All 5/8" x 3/4" and 1" AccuSTREAM units will be swapped for Sensus iPERL meters.
- Shared costs that favor the City.
 - 1,500 meters at no charge (parts only).

- 1,650 meters at warranty pricing—\$105 for 5/8" x 3/4" and \$132.99 for 1"—for a total City spend of \$204,039.
- Vendor-funded installation and disposal for 1,650 of those meters; the City funds installation of the 1,500 free units.
- A \$36,000 credit applied to future Core & Main invoices to offset earlier replacement costs.
- Firm deadlines.
 - Delivery of all purchased meters within 60 days of contract execution.
 - Vendor-funded installations completed within six months of delivery.
- Long-term protection. A fresh 10-year limited warranty on replacement meters and a one-year workmanship warranty from Core & Main.
- Environmental responsibility. Sensus/Core & Main will remove and recycle or dispose of every meter they replace.

Operational readiness:

- Scope of Work: The technical scope, now in its final drafting stage, will lock in work sequencing, GIS route files, traffic-control expectations, and acceptance-testing protocols. Once finalized, it will be attached as Exhibit B to the agreement and become legally binding on all parties.
- Budget: The Water Fund capital account (3340W-564040) has sufficient appropriation to cover the City's share; Finance has confirmed the \$36,000 credit mechanism.
- Field logistics: Public Works and VEPO Metering South have coordinated preliminary schedules and are ready to issue work orders as soon as meters arrive.
- Reporting: Staff will issue monthly progress updates to the Commission and immediately flag any schedule variances.

With funding secured, inventory reserved, contractors on standby, and the Scope of Work days away from completion, all prerequisites are in place to launch the full meter replacement phase of the AMI remediation plan as soon as the Commission approves the agreement.

Why Action is Necessary:

Execution of this contract falls outside the competitive-bid process, exceeds the City's \$50,000 approval threshold, and embodies a "unique-circumstance" purchase; therefore, it cannot be finalized without specific Commission authorization to validate the negotiated pricing, credits, and vendor obligations.

Cost Benefit:

The settlement swaps out every faulty small meter for approximately \$204,039 instead of the roughly \$800,000 the job would cost under a normal bid: Sensus provides 1,500 meters free, sells the remaining 1,650 units at a discount with warranty, issues a \$36,000 product credit, and pays the installation + disposal bill for 1,650 meters. Altogether, the City avoids approximately half a million dollars in parts and labor while gaining ten-year-warrantied, a guaranteed timeline, and remote-read meters that cut future field-service costs.

PROPOSED ACTION:

The City Commission considers the attached Resolution.

ATTACHMENT(S):

- Exhibit 1 – Resolution
- Exhibit 2 – Settlement and Release Agreement
- Exhibit 3 – AMI Presentation dated August 7, 2024

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