

# **Memorandum of Understanding and Authorization**

**FOR**

**INVESTMENT GRADE AUDIT (IGA)**

**AND**

**PROJECT DEVELOPMENT**

This Investment Grade Audit and Project Development Memorandum of Understanding and Authorization (the "MOU") is made and entered into as of July 14, 2025, by and between Performance Services, Inc. ("PSI"), 4670 Haven Point Blvd., Indianapolis, IN 46280, and City of North Miami, Florida, 776 NE 125<sup>th</sup> Street, North Miami, FL 33161 ("Owner").

## **WITNESSETH**

**WHEREAS**, PSI is a qualified professional services company with experience and technical and management capabilities to provide for the discovery, engineering, procurement, project management, construction, financing, maintenance and monitoring of Guaranteed Energy, Water and Wastewater Performance Savings Contracting Projects, in accordance with Florida Statute 489.145; and

**WHEREAS**, PSI has provided its Scope of Work for an Investment Grade Audit (IGA), attached hereto as **Exhibit A**, pertaining to the discovery, analysis, engineering, and development of energy, maintenance and water saving measures and related projects at Owner's systems and facilities (the "IGA"); and

**WHEREAS**, Owner has, through its Guaranteed Energy, Water & Wastewater Performance Savings Contracting Services Request for Qualifications (No. 30-24-25), dated April 2025, selected PSI as a qualified provider for the services described herein; and

**WHEREAS**, Owner desires to issue this MOU to authorize PSI to perform an IGA and develop a project proposal for the installation and implementation of its integrated Smart Water Technologies with Advanced Metering Infrastructure (AMI) to enhance water management, improve operational efficiency, and provide real-time data analytics for better decision making (the "Project Proposal") that meets the project and financial goals specified in Exhibit A (the "Project Goals"); and

**WHEREAS**, if the Project Goals are determined to be feasible, and if the amount of savings and Owner funding is projected to be sufficient to pay the annual debt service, the parties intend to negotiate a separate Installation Contract under which PSI will procure, install, implement, maintain and monitor the North Miami Smart Water & Wastewater Infrastructure, and

**WHEREAS**, Owner certifies that I) the execution and delivery of this MOU has been duly authorized by all necessary corporate or official action required of Owner; ii) this MOU is a legal, valid and binding obligation, enforceable against Owner; and iii) this MOU satisfies all applicable procurement laws, rules and/or regulations of the State of Florida.

**THEREFORE**, the parties agree as follows:

## **1. Investment Grade Audit**

PSI agrees to perform an IGA in accordance with the scope and approach described in **Exhibit A**. PSI agrees to complete the IGA and present Owner the Project Proposal within one hundred and twenty (120) calendar days from execution of this MOU.

The Owner agrees to assist PSI in performing the IGA in accordance with the Scope of Work described in Ex. A. Owner agrees to work diligently to provide full and accurate information and access to Owner's facilities and personnel as needed to complete the IGA. PSI agrees to work diligently with the Owner to assess the validity of information provided and to confirm or correct the information as needed.

Following the completion of the IGA and submission of a Project Proposal, which meets the Project Goals, Owner agrees to procure, and PSI agrees to offer an Installation Contract with proposed terms and conditions, for PSI to provide Owner with installation, construction management, financing, performance guarantee, and performance period services for the Project Proposal.

## **2. Compensation to PSI**

In the event PSI completes the IGA and develops a Project Proposal, which meets the Project Goals listed in this MOU, and Owner declines to proceed with an Installation Contract with PSI, Owner shall compensate PSI for performance of the IGA by payment to PSI of two hundred and forty-two thousand and sixteen dollars (\$242,016), payable with sixty (60) days of submission of the IGA and Project Proposal by PSI. The IGA will become the property of the Owner upon receipt of such payment.

In the event Owner elects to proceed with an Installation Contract with PSI, the fee indicated above shall be incorporated into the project costs and no upfront costs will be required.

Should PSI determine at any time during the IGA that the Project Goals cannot be attained, the IGA will be terminated by written notice of PSI to the Owner. In this event, neither party shall have any financial obligation to the other.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto subscribe to their names to this Memorandum of Understanding and Authorization on the date first written below.

## **3. Verification of Employees**

PSI shall comply with all applicable requirements of Section 448.095, Florida Statutes, including but not limited to: (1) PSI shall register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the Consultant during the term of this MOU; and (2) PSI shall expressly require any subcontractors performing work or providing services pursuant to this MOU to likewise register with and use the U.S. Department of Homeland Security's E-Verify system to verify the work authorization status of all new employees of the subcontractor during the term of this MOU. Section 448.095, Florida Statutes, states the statute must be construed in a manner that is fully consistent with any applicable federal laws or regulations, and therefore this section does not apply to this Agreement to the extent that this section would be inconsistent with any federal laws or regulations that are applicable to this Agreement.

## **4. Public Records**

If PSI is either a "Contractor" as defined in Section 119.0701(1)(a), Florida Statutes, or an "agency" as defined in Section 119.011(2), Florida Statutes, PSI shall:

a. Keep and maintain public records, as defined in Section 119.011(12) of the Florida Statutes, required by Owner to perform the service.

b. Upon request from Owner's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.

c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the MOU and following completion of the MOU if PSI does not transfer the records to Owner.

d. Upon completion of the MOU, transfer, at no cost, to Owner all public records in possession of PSI or keep and maintain public records required by Owner to perform the service. If PSI transfers all public records to Owner upon completion of PSI, PSI shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If PSI keeps and maintains public records upon completion of the MOU, PSI shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Owner, upon request from Owner's custodian of public records, in a format that is compatible with the information technology systems of Owner.

**e. IF PSI HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, REGARDING PSI'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS MOU, PSI SHOULD CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT 305-895-9817, OR [VAJOSEPH@NORTHMIAMI.FL.GOV](mailto:VAJOSEPH@NORTHMIAMI.FL.GOV) OR 776 NE 125<sup>TH</sup> STREET, NORTH MIAMI, FLORIDA 33161.**

City of North Miami, Florida

By: \_\_\_\_\_

Title: City Manager

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

City of North Miami, Florida

By: \_\_\_\_\_

Title: City Attorney

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Performance Services, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

City of North Miami, Florida

By: \_\_\_\_\_

Title: City Clerk

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

## EXHIBIT A

### INVESTMENT GRADE AUDIT (IGA) DESIGN SCOPE

#### A. Water Metering Modernization (AMI Implementation)

Advanced Metering Infrastructure (AMI) using Sensus FlexNet® for North Miami

- Deploy Sensus FlexNet® AMI system across all water service connections; uses licensed radio spectrum for interference-free, secure communication.
- FlexNet® provides emergency operation capabilities for water, wastewater, and storm.
- Install new Sensus solid state residential and commercial water meters.
- Enables two-way, near-real-time communication between endpoints and base stations with minimal backhaul, reducing O&M costs.
- Improves billing accuracy to 99.97%, reducing billing disputes.
- Supports customer portals for real-time usage monitoring; encourages conservation and enables 2–10% savings through user engagement.
- Increases operational efficiency by automating meter reads (1/7th of a second vs. 70 seconds); reduces labor costs and accelerates responsiveness.
- Future-proof investment: supports smart streetlighting, water treatment plant and SCADA applications over a single infrastructure, allowing citywide smart utility integration.
- Shifts utility operations from reactive to proactive—enabling instant anomaly detection and enhanced customer satisfaction.

#### B. Water Loss Management & Conservation

Integrated Leak Detection, Pressure Monitoring, and DMA Strategy for NRW Reduction

- Establish advanced smart distribution system to include District Metered Areas (DMAs) to isolate and monitor flow/pressure zones for more accurate NRW identification and leak detection.
- Deploy acoustic leak detection and IoT sensors for continuous, non-invasive monitoring up to 18" pipe diameter.
- Implement system-wide pressure monitoring via residential/commercial meters & district meters with integrated sensors at ¾" through 18" connections (full system capture), feeding into Xylem Vue's smart utility software.

- Identify pinhole leaks through 0.1 PSI pressure drop detection, triggering alarms and enabling early response to prevent major failures.
- Lowers treatment and pumping costs by reducing volume of unbilled water and optimizing pressure levels across the system.
- Extends pipe lifespan and delays major replacements through proactive pressure management and reduced system stress.
- Enhance public health and environmental stewardship by stabilizing hydraulic conditions and preventing contamination risks.

## **C. Wastewater Collection System Enhancements (Lift Stations & Manholes)**

Smart Monitoring, I&I Reduction, and Structural Rehabilitation for Collection System

- Install flow meters & level monitoring devices for continuous monitoring of sewer levels, hydrogen sulfide, and vault water intrusion.
- Use primary use licensed frequency & satellite communication for coverage during outages and in dead zones; enables instant alerts for Inflow & Infiltration (I&I) and SSO prevention.
- Reconstruct lift stations with energy-efficient pumps and permanent backup generators with automatic transfer switches for seamless power continuity.
- Rehabilitate manholes with structural lining and sealing to prevent groundwater infiltration through joints, cracks, and deterioration.
- Eliminates Sanitary Sewer Overflows (SSOs), ensuring regulatory compliance and preventing environmental/public health risks.
- Delivers automated regulatory compliance monitoring & advanced interconnect/volume billing analysis.
- Improves resilience by ensuring uninterrupted lift station performance during storms and power outages. This accomplished through an integrated resiliency technology developed by our team to monitor station power, generator power, and level inside the lift station during any conditions.
- Delivers long-term cost avoidance by reducing the need for capacity expansion and minimizing emergency repairs through predictive maintenance.

## **D. Deliverables**

At the completion of the Investment Grade Audit, PSI will present to the Owner an IGA Report that presents the findings and recommendations as follows:

- Summary Description of the Proposed Design
- Proposed scope of work for Implementation
- Guaranteed Savings and basis
- Construction Plan
- Financial Analysis

PSI will schedule a meeting with the Owner to present the IGA Report

## **E. Progress Meeting Schedule**

As required by Owner's staff, PSI will meet and communicate with Owner on a regular basis to discuss findings relative to each task and subtask, and to develop revenue projections, operational cost/savings, and projections for financial analysis and cash flows. Regular progress meetings between PSI and the Owner will ensure that the parties are aligned as to IGA goals, deliverables and schedule.

## **F. Submittal of a Proposed Implementation Contract to Owner**

Concurrent with submission of the IGA Report, PSI will submit to the Owner a proposed implementation contract that constitutes a "self-funding" portfolio of improvements over an agreed upon financing term. The approved tasks (project scope) will be implemented under an energy savings performance contract as defined by Florida legislation 489.145.

Proposal documents to include contract exhibits, Construction Tasks and Schedules, Measurement & Verification Plan and Performance Guarantee based on mutually agreeable parameters.

## **G. Kickoff Meeting Discussion Items/Agenda**

The following information and agreements needed at IGA commencement will be discussed in the IGA kickoff meeting:

- IGA scope of work
- Design Development tasks and schedule
- Technical inputs for design
- Permit requirements, applications and costs
- Timeline for IGA performance and completion

- Target date for PSI to present IGA Report and implementation proposal
- Timeline for Owner review, approval and execution of implementation contract
- Coordination of any City-performed work associated with this project
- Requirements for an Owner-Directed Allowance (ODA) to be included in PSI's implementation proposal and project financing to cover reimbursement to Owner for Owner-implemented elements of the program