

**MINUTES OF SPECIAL MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 23
JUNE 25, 2024**

**STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

The Board of Directors of Harris County Municipal Utility District No. 23 of Harris County, Texas, met in special session, open to the public, beginning at 6:30 P.M. at a regular meeting place inside the District on the 25th day of June, 2024, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Jeff Blackwell	President
Jim Haney	Vice President
Christy Shepard	Secretary
Charles Mathewes	Treasurer
William E. Ross	Assistant Secretary/Treasurer

and all of said directors were present with Director Haney attending via teleconference, thus constituting a quorum.

Persons also present included:

Toby Sledge with Badger Meters;
Caleb Burson with Accurate Meter & Supply;
Doug Jeffrey of TNG Utility Corporation;
Sean Humble of Sherrington-Humble, LLC; and
Cindy Nichols of Michael A. Cole P.C.

REPLACEMENT OF MALFUNCTIONING BADGER METERS

Toby Sledge and Caleb Burson presented themselves to the Board. It was explained that there are currently 1,255 Badger water meters in the District of which approximately 600 meters have been found to be malfunctioning with a black screen. Caleb Burson stated that each of the meter endpoints are still good and under warranty.

Mr. Burson presented two options to the Board for replacement of the District’s meters. The first option is to replace the meters with a Model 25 positive displacement meter which has an all bronze body. It has mechanical parts which will wear out over time but not likely to wear out soon. It is tamper resistant, and if someone tampers with the meter it will notify the District’s utility operator. The other option is a Generation 2.0 of what the District currently has. It was explained that this meter has been improved with new features, a different chip and is more reliable. It does not

have an issue with water intrusion in the endpoint or in the meter, and has been designed to withstand being in flooded pits and extreme heat.

Discussion ensued and Directors asked questions about each of the meters. Mr. Burson quoted a cost for replacement of the District's meters with Model 25 meters. There is a \$25.00 installation charge per meter. There is no cost for replacement of a malfunctioning meter, and there is a cost of \$65.00 per meter for replacement of functioning meters. This equals an estimated cost of \$73,950.00 based on replacement of 600 malfunctioning meters at \$25 per meter plus replacement of 655 functioning meters at \$90.00 per meter. Each of the replaced meters will come with a new 20 year warranty of 10 years full replacement + 10 years prorated. It was reported that the meters are warranted up to a temperature of 130 degrees. Badger is also offering a one-time issue of 15,500 Beacon Service Units, which with 1,255 meters would cover the cost of the monthly billing to the District from Badger for about 12 months. After these units are consumed, the service unit pricing will resume.

Discussion continued. In response to Sean Humble, Mr. Burson stated that if the District accepts the offer for the replacement meters, the District can replace the 600 malfunctioning meters now and replace the functioning meters as they go out and this offer will still be good. Mr. Burson estimated 6 weeks to receive 600 meters and about a month to install them. It was agreed that if the offer is accepted the utility operator will survey the meters in the District. Mr. Burson confirmed that if 800 meters are found to be malfunctioning those meters will be replaced at a cost of \$25.00 per meter, and the remaining 455 functioning meters will be replaced at a cost of \$90.00 per meter.

Caleb Burson stated that he will share a copy of the warranty with Directors and the attorney's office. Mr. Burson also stated that he will make sure that the Eyeonwater accounts are updated for each meter replaced with the new meter install date to ensure a smooth transition.

At the conclusion of discussion, no action was taken on the matter and Directors requested an item be placed on the July 11th agenda to consider the proposed options. Directors thanked Mr. Burson and Mr. Sledge for attending the meeting.

There being no other business to come before the Board the meeting was adjourned.

(SEAL)

Secretary, Board of Directors