

MINUTES OF REGULAR MEETING  
KLEINWOOD MUNICIPAL UTILITY DISTRICT  
HARRIS COUNTY, TEXAS

24 October 2019

STATE OF TEXAS  
COUNTY OF HARRIS

The Board of Directors (the "Board") of Kleinwood Municipal Utility District (the "District") of Harris County, Texas, met in regular session, open to the public, on the 24th day of October, 2019, at the District Office, 16530 Kleinwood Drive, Spring, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

David C. Guerrero	President
Jeff Gobbell	Vice President
Joe Fratangelo	Secretary/Treasurer
Sherry Allard	Assistant Vice President & Assistant Secretary
Robert Ehmann	Assistant Secretary

and all of said persons were present with the exception of Director Gobbell, thus constituting a quorum.

Also present were: René Andel of Wheeler & Associates, Inc. ("Wheeler"), the Tax Assessor/Collector for the District; Jeffrey Bishop, P.E., of Jones & Carter, Inc. ("J&C"), Engineer for the District; Chris Zilko of Environmental Development Partners, L.L.C. ("EDP"), Operator for the District; Roger Schuett, Office Manager for the District; Tom Dillard representing Champions Hydro-Lawn, Inc. ("CHL"); Sergeant Michael Gonzales and Deputy Thomas Ozio with Harris County Precinct 4 Constable's Office (the "Constable's Office"); and Will Yale and David Green of Coats Rose, P.C., Attorney for the District.

Director Guerrero called the meeting to order.

**MINUTES OF THE MEETING OF 26 SEPTEMBER 2019**

The minutes of the meeting of the Board held on 26 September 2019, previously distributed to the Board, were presented for consideration and approval. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 26 September 2019, as written.

**PEACE OFFICER'S REPORT**

The President recognized Deputy Ozio, who presented the Peace Officer's Report, a copy of which is attached hereto. The Directors then discussed security

related issues. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Peace Officer's Report.

### **SECURITY SERVICE CONTRACT**

The Board discussed matters relating to the Security Service Contract (the "Contract") with Harris County. Mr. Yale reviewed with the Board a letter dated 23 September 2019 from the office of Harris County Precinct 4 Constable Mark Herman regarding the renewal of the Contract for the term beginning on 1 March 2020. A copy of the letter is attached hereto as an exhibit to these minutes. Mr. Yale inquired if the Board desired to continue to have two Deputy Constables assigned to the District on a 70% basis for the Contract term beginning on 1 March 2020. The Board replied in the affirmative.

### **DETENTION AND DRAINAGE FACILITIES REPORT**

The President recognized Mr. Dillard, who submitted to and reviewed with the Board the Detention and Drainage Facilities Report (the "Detention Facilities Report") prepared by CHL in connection with (1) the maintenance of the Champion Woods Estates Detention Pond; and (2) the maintenance of the landscaping at the Walking Garden and the District Office site. A copy of the Detention Facilities Report is attached hereto as an exhibit to these minutes. Mr. Dillard stated that the vegetation at the southeast corner of the Walking Garden site had been trimmed. He then informed the Board that CHL personnel had mistakenly trimmed all of the vegetation on the Walking Garden site (the "Trimming"). Because the Trimming was not authorized by the Board, he continued, CHL would not bill the District for the Trimming. A discussion ensued regarding the Trimming. The Directors expressed their desire for CHL to be compensated for the Trimming. Director Ehmann proposed that the Board authorize payment to CHL equivalent to the usual cost for the Trimming, less 10%. The Board agreed with Director Ehmann's proposal. Mr. Dillard stated that CHL would submit an invoice to the District for the Trimming as described above. Mr. Dillard then reported that CHL personnel had received requests for the dog waste bag receptacles in the Walking Garden to be emptied and resupplied with bags more frequently (the "Receptacle Service"). He estimated the monthly cost for the Receptacle Service at \$48.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize CHL to proceed with the Receptacle Service. Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Detention Facilities Report.

### **WATER PLANT NO. 2 / LANDSCAPING**

The Board briefly discussed the condition of the landscaping at the Water Plant No. 2 site. Mr. Zilko informed the Board that the water supply to the irrigation system at the Water Plant No. 2 site was shut off earlier this year when the backflow prevention

device malfunctioned, thus harming the landscaping. He stated that EDP would replace the landscaping at the Water Plant No. 2 site.

### **TAX ASSESSOR/COLLECTOR'S REPORT**

The President recognized Ms. Anadel, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. A copy of the Tax Assessor/Collector's Report is attached hereto. The Board noted that the District had collected 99.3% of its 2018 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Ms. Anadel noted that Wheeler was requesting approval for six checks written on the District's tax account, said checks including the transfer of \$329.28 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$5,000.00 to the Debt Service Fund.

Then, after discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report and to authorize payment of the checks listed therein.

### **UNCOLLECTIBLE ACCOUNTS**

Consideration was then given to moving certain delinquent tax accounts involving personal property (the "Accounts") to the Uncollectible Tax Roll. The President recognized Ms. Anadel, who submitted to and reviewed with the Board a List of Uncollectible Accounts as prepared by the District's Tax Assessor/Collector. A copy of the List of Uncollectible Accounts is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the District's Tax Assessor/Collector to move the Accounts to the List of Uncollectible Accounts.

### **ENGINEER'S REPORT**

The President then recognized Mr. Bishop, who presented the Engineer's Report as follows:

Cleaning and Televised Inspection of Sanitary Sewer System (the "Televised Inspection"). The Board discussed the contract with CSI Consolidated, LLC dba AIMS Companies (called "CSI") for the Televised Inspection. Mr. Bishop reported that CSI was currently working on the trunk sanitary sewer line south of Cypresswood Drive, as well as certain locations in the District for re-completion items. He stated that video of approximately 5,000 linear feet of sanitary sewer line segments and 150 manholes remain to be submitted to J&C for review. Mr. Bishop noted that CSI submitted video of approximately 7,280.2 linear feet of sanitary sewer line segments and 189 manholes in September 2019. J&C rejected the video of 96.8 linear feet of the sanitary sewer line segments and 60 manholes, he continued, and directed CSI to re-complete and re-submit the rejected work for review.

Mr. Bishop then reported that CSI had submitted Pay Estimate No. 4 in the amount of \$16,149.33 in connection with the Televised Inspection project. A copy of Pay Estimate No. 4 is attached hereto as an exhibit to these minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize payment of Pay Estimate No. 4.

Request for Service / Eggcellent Restaurant & Banquet Hall (the "Restaurant & Banquet Hall") at 8033 Louetta Road. Mr. Bishop discussed with the Board the request for service from Mohammad Amin in connection with the proposed development of the Restaurant & Banquet Hall. He reported that, to date, J&C had not received the revised plans for the Restaurant and Banquet Hall.

Request for Service / Meyer Park at Champion Forest. Mr. Bishop discussed with the Board the request from Ollie Hilliard of Darby Real Estate Investments, L.P. for service to and annexation of a 9.68-acre tract at 15919 Stuebner Airline Road (the "Darby Tract"). He reported that, to date, J&C had not received the revised plans for the proposed multi-family residential development in the Darby Tract.

Request for Service / State Farm Insurance Office at 7702 Louetta Road. The Board discussed the request from Randy Reeves for water and sanitary sewer service to the tract of land located at 7702 Louetta Road (the "Reeves Tract"), in which his State Farm Insurance office is located. Mr. Bishop stated that, to date, J&C had not received the revised plans for the Reeves Tract.

Cybersecurity Seminar. Mr. Bishop and Director Guerrero presented a brief report regarding their attendance at a recent seminar on cybersecurity for governmental entities.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report.

## **OPERATOR'S REPORT**

The President recognized Mr. Zilko, who submitted to and reviewed with the Board the Operator's Report as follows:

Water Plant Operations. Mr. Zilko reported that the billed to pumped ratio for the prior month was 98.9% and that the District has 893 service connections, including two vacant single-family residences. He noted that surface water received from the North Harris County Regional Water Authority (the "NHCRWA") accounted for 74% of the water distributed to the District's customers during the period ending 16 September 2019.

Utility Operator's Report. Mr. Zilko reviewed with the Board the utility billing summary, accountability report, subsidence district report, NHCRWA fee report, and the 60-day delinquent list, as shown in the Operator's Report attached hereto.

Significant System Repairs. Mr. Zilko reviewed with the Board the EDP Invoice and Bill Direct Statement dated 14 October 2019, a copy of which is included with the Operator's Report.

Request for Adjustment to Service Account. Mr. Zilko reviewed with the Board a letter from a District customer regarding the service account for the residence at 7715 Dayhill Drive. A copy of the letter is included with the Operator's Report. The customer is disputing the quantity of water usage that he was billed for in two recent billing cycles, said Mr. Zilko. He stated that a field test of the water meter at 7715 Dayhill Drive (the "Meter") indicated that the Meter is accurately registering the flow of water. He stated that the Meter was then tested by Accurate Meter & Backflow LLC ("Accurate Meter"), a third-party testing company. According to Accurate Meter, he told the Board, the Meter was registering accurately during the time of high water usage over a two-month period. A copy of the test report by Accurate Meter is included with the Operator's Report. The Board declined to take any action with regard to this matter.

District Facilities / Hurricane Harvey. The Board discussed the condition of the District's facilities following the landfall of Hurricane Harvey on the Texas coast in August 2017 and the subsequent flooding event that occurred in the greater Houston area. Mr. Zilko reported that work on the flood mitigation project at Lift Station No. 2 had been completed. He added that EDP was anticipating receipt of a check in the amount of \$17,807.18 from the Federal Emergency Management Agency ("FEMA") on the flood mitigation grant for the flood mitigation project at Lift Station 2 (the "Grant"). He called the Board's attention to a letter dated 16 October 2019 from FEMA regarding the award of the Grant. A copy of the letter is included with the Operator's Report.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report, a copy of which is attached hereto.

## **TERMINATION OF SERVICE**

Consideration was then given to the termination of water and sewer service to certain delinquent accounts. The President recognized Mr. Zilko, who advised the Board that the requisite notifications had been given to each customer and that each customer was advised of the date, time, and place of the Board meeting which they could attend to discuss termination of service. The Board noted that there were no customers present to protest the utility billings. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize the Operator to terminate the water and sewer service to those accounts listed on the termination list.

## **ATTORNEY'S REPORT**

The President recognized Mr. Yale, who presented the Attorney's Report.

## **NHCRWA**

Mr. Yale distributed copies of a memorandum from the District's Attorney regarding the 7 October 2019 meeting of the NHCRWA board of directors. A copy of the memorandum is attached hereto.

## **CYPRESS CREEK FLOOD CONTROL COALITION (the "Coalition")**

Mr. Yale distributed copies of two memoranda from the District's Attorney regarding the meetings of the Coalition held on 17 July and 14 August 2019. Copies of the memoranda are attached hereto.

## **POWER SUPPLY ISSUES / PUBLIC POWER POOL ("P3")**

Next, the Directors discussed matters pertaining to the aggregate purchase of electricity under the auspices of the P3. Mr. Yale distributed copies of a newsletter from P3 dated 8 October 2019, a copy of which is attached hereto.

## **WEBSITE FOR DISTRICT**

Then the Directors discussed matters relating to the operation of the District's internet website (the "Website"). Mr. Yale submitted to and reviewed with the Board an electronic mail message dated 8 October 2019 from Russell Lambert of The Texas Network, LLC (called "Texas Network"), the District's Webmaster, regarding the recent posting on the Website of a chart explaining the charges on the bills that are distributed to the District's customers for water and sewer service (the "Bills"), said charges including the NHCRWA surface water assessment fee (the "NHCRWA Fee"). A copy of the electronic mail message is attached hereto as an exhibit to these minutes. A discussion ensued regarding the NHCRWA Fee. The Board directed the District's Attorney to prepare a statement regarding the NHCRWA Fee to be placed in the message area on the Bills. The Board then directed the District's Attorney to prepare explanatory language regarding the NHCRWA Fee to be posted on the Website.

Mr. Yale then reviewed with the Board an electronic mail message dated 17 October 2019 from Mr. Lambert regarding the draft of the new Website being prepared by Texas Network (the "New Website"). A copy of the electronic mail message is attached hereto as an exhibit. The Directors discussed with Mr. Yale their preferences for the format and content of the New Website. The Directors agreed that the minutes of Board meetings would be kept on the New Website for two years and that the Peace Officer Reports would be kept for one year. The Directors then deferred further discussion regarding the New Website to a future meeting of the Board.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Attorney's Report.

## REPORT ON OPERATION OF DISTRICT OFFICE

The President recognized Mr. Schuett, who presented the report concerning the District Office (the "Office Report"), a copy of which is attached hereto. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Office Report.

## BOOKKEEPER'S REPORT

Mr. Schuett distributed to the Board copies of the Bookkeeper's Report on behalf of Claudia Redden & Associates, L.L.C., the District's Bookkeeper, a copy of which is attached hereto as an exhibit to these minutes. The Directors also reviewed certain invoices for payment by the Board, as well as the Investment Report. Mr. Schuett responded to questions from the Board regarding the District's investments. Then, upon a motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report, and to authorize payment of the checks listed therein.

## KLEINWOOD JOINT POWERS BOARD ("KJPB")

Director Fratangelo presented a report on the activities of the KJPB. He stated that the KJPB was planning to receive bids later this year for the construction of the proposed reclaimed water supply project.

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



  
Secretary, Board of Directors

Kleinwood Municipal Utility District  
Meeting of 24 October 2019  
Attachments

1. Peace Officer Report;
2. Letter from Harris County Constable – Precinct 4;
3. Detention and Drainage Facilities Report;
4. Tax Assessor/Collector's Report;
5. List of Uncollectible Accounts;
6. Engineer's Report;
7. Pay Estimate No. 4 / Sanitary Sewer Cleaning & Televising;
8. Operator's Report;
9. Coats Rose memo / NHCRWA;
10. Coats Rose memo / CCFCD 17 July 2019 meeting;
11. Coats Roes memo / CCFCD 14 August 19 meeting;
12. P3 newsletter;
13. Email from The Texas Network / 8 October 2019;
14. Email from The Texas Network / 17 October 2019;
15. District Office Report; and
16. Bookkeeper's Report.