

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

28 October 2021

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 28th day of October 2021, 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:

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

and all of said persons were present, thus constituting a quorum.

Also present were René Andel of Wheeler & Associates, Inc. ("Wheeler"), the Tax Assessor/Collector for the District; Kelly Trebing representing Claudia Redden & Associates, L.L.C. ("Redden"), the District's Bookkeeper; 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; Les Griffith representing Champions Hydro-Lawn, Inc. ("CHL"); Sergeant M. Gonzalez and Deputy L. Doria with Harris County Precinct 4 Constable's Office (the "Constable's Office"); and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District. Attending the meeting by teleconference were Roger Schuett, Office Manager for the District; and Will Yale of Coats Rose.

Director Gobbell called the meeting to order.

**MINUTES OF THE MEETING OF 23 SEPTEMBER 2021**

The Directors first considered approval of the minutes of the meeting of the Board held on 23 September 2021. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of September 2021, as written.

## **PEACE OFFICER'S REPORT**

The President recognized Deputy Doria, who presented the Peace Officer's Report, a copy of which is attached hereto. The Board 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.

## **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 91.0% and that the District has 895 service connections, including three vacant single-family residences. He noted that surface water received from the North Harris County Regional Water Authority (the "NHCRWA") accounted for 98% of the water distributed to the District's customers during the period ending 17 September 2021.

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, a copy of which is included with the Operator's Report.

Customer Dispute. Mr. Zilko reported that the District's Operator was contacted by the District customer at 7723 Oak Moss Drive, who disputed the charge on the bills from the District (the "NHCRWA Charge") in connection with the surface water delivery fee levied by the NHCRWA (the "Delivery Fee") and also wished to discuss with the Board how the rates charged to the District's customers for water and sanitary sewer service are determined. He noted that the customer was not in attendance at this meeting of the Board.

Water Plant No. 2. Mr. Zilko reported that EDP investigated a power issue at Water Plant No. 2 that was interfering with the operation of the water well. After performing a successful test run on the water well using the standby generator, he continued, the District's Operator determined that an imbalance of power was being received from the power pole. Mr. Zilko stated that EDP notified CenterPoint Energy ("CenterPoint"), which discovered a defective connection at the street where the power lines connect with the power drop for Water Plant No. 2. He added that CenterPoint replaced the connection and Water Plant No. 2 is operating normally.

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

## **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.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The President recognized Mr. Griffith, who presented the Detention and Drainage Facilities Report (the "Detention Facilities Report") in connection with the maintenance of the Champion Woods Estates Detention Pond. A copy of the Detention Facilities Report is attached hereto as an exhibit to these minutes. Mr. Griffith remarked that Detention Pond was in good condition at this time. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Detention Facilities Report.

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

Next, the President recognized Ms. Andel, who presented 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 99.2% of its 2020 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Ms. Andel noted that Wheeler was requesting approval for nine checks written on the District's tax account. 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.

## **ENGINEER'S REPORT**

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

Proposed Rehabilitation of Sanitary Sewer System – Phase 2 (the "Phase 2 Rehabilitation"). Mr. Bishop reported that J&C was proceeding with the design of the Phase 2 Rehabilitation. He stated that bidding on the Phase 2 Rehabilitation was expected to take place in November 2021.

Water Plant No. 1 / Perimeter Fence Replacement (the "Fence Replacement"). Mr. Bishop discussed with the Board the options for the proposed Fence Replacement. He recommended that the section of the perimeter fence that fronts Squyres Road (the "Front Section") be moved back (west) approximately 50 feet. After a lengthy

discussion, the Directors expressed their agreement to (1) replace the existing perimeter fence with 8-foot chain link fencing that includes slats (the "Slats"); (2) relocate the Front Section as recommended by the District's Engineer; and (3) direct the District's Operator to administer the Fence Replacement Project. Mr. Bishop remarked that he would bring color samples of the Slats to the Board's meeting on 2 December 2021 for inspection by the Directors.

Emergency Response Plan (the "ERP"). Mr. Bishop reported that J&C was preparing the ERP for certification to the U.S. Environmental Protection Agency by the deadline date of 17 December 2021, pursuant to the America's Water Infrastructure Act of 2018.

Annual Water Plant Inspection. Mr. Bishop reported the mechanical and electrical inspection of the District's Water Plant Nos. 1 and 2 was completed on 20 October 2021, and the inspection of the hydropneumatic tank at Water Plant No. 2 was completed on 27 October 2021. He stated that a report on the Water Plant Inspection would be presented at a future meeting of the Board.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Engineer's Report, a copy of which is attached hereto as an exhibit to these minutes.

## **ATTORNEY'S REPORT**

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

Power Supply Issues / Public Power Pool ("P3"). The Directors discussed matters pertaining to the aggregate purchase of electricity under the auspices of the Public Power Pool ("P3"). Mr. Yale distributed copies of a newsletter from P3 dated 12 October 2021, a copy of which is attached hereto.

Alert Regarding Naegleria Fowleri amoeba ("N. fowleri"). Mr. Yale reviewed with the Board a letter dated 1 October 2021 from the Texas Commission on Environmental Quality regarding measures to minimize the risk of infection by N. fowleri in public water supply systems and recreational splash pads (the "Splash Pads"). A copy of the letter is attached hereto as an exhibit to these minutes. The Board noted that there were no Splash Pads in the District.

NHCRWA Delivery Fee and NHCRWA Charge. The Directors discussed with Mr. Yale the Delivery Fee and the NHCRWA Charge. Mr. Yale remarked that several water districts include a mark-up in their NHCRWA Charge that is billed to their customers in order to compensate for the monthly quantity of water that is unaccounted for. No action was taken on this matter.

Kleinwood Joint Powers Board (the "KJPB") / Annual Financial Statements. Mr. Yale presented the Board with copies of the Annual Financial Statements for the

KJPB for the period ending 31 May 2021 as prepared by Mark C. Eyring, CPA, PLLC. A copy of the Annual Financial Statements is attached hereto as an exhibit to these minutes.

## **REPORT ON OPERATION OF DISTRICT OFFICE**

The President recognized Mr. Schuett, who presented a report concerning the condition of the District Office and the Walking Garden (the "Office Report"), a copy of which is attached hereto.

Landscaping at District Office. Mr. Schuett reported that Brookway Horticultural Services, Inc. was to complete the removal and replacement of the landscaping at the District Office that died during the February 2021 winter weather event by the end of this week.

Air Conditioning System at District Office. Mr. Schuett reported that repairs were made to the air conditioning system during the last month. Prior to commencing the repairs, he continued, approval was obtained from two Directors.

Proposed Paving Projects. Mr. Schuett reported that, to date, he had received two price quotes for (1) resurfacing the trail in the Walking Garden; and (2) resurfacing the parking lot at the District Office (collectively, the "Resurfacing Projects"). Copies of the price quotes are included with the Office Report. Mr. Schuett stated that he intended to obtain a third price quote for the Resurfacing Projects. The Directors deferred further discussion of this matter to a future meeting of the Board.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Office Report.

## **BOOKKEEPER'S REPORT**

Ms. Trebing presented the Bookkeeper's Report as prepared by Redden. A copy of the Bookkeeper's Report is attached hereto as an exhibit to these minutes. Ms. Trebing listed the balances in each of the District's accounts and reviewed the activity in each account. The Directors reviewed certain invoices for payment by the Board, as well as the Investment Report. 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.

## **KJPB**

Director Fratangelo presented a report on the activities of the KJPB. A copy of the draft minutes of the KJPB meeting held on 6 October 2021 is attached hereto as an exhibit.

**KLEINWOOD MAINTENANCE FUND ("KMF")**

Director Gobbell presented a report on the activities of the KMF.

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

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Secretary, Board of Directors

SEAL

Kleinwood Municipal Utility District  
Meeting of 28 October 2021  
Attachments

1. Peace Officer Report;
2. Operator's Report;
3. Detention Facilities Report;
4. Tax Assessor/Collector's Report;
5. Engineer's Report;
6. P3 Newsletter;
7. TCEQ Letter / splash pads and amoeba;
8. Annual Financial Statements for KJPB;
9. District Office Report;
10. Bookkeeper's Report; and
11. Draft KJPB minutes.