

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

26 May 2022

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 26th day of May 2022, 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; Pam Madrigal, P.E., of Quiddity Engineering, LLC ("Quiddity"), 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; Derek Michael representing Sales Revenue, Inc. ("SRI"); Les Griffith representing Champions Hydro-Lawn, Inc. ("CHL"); Sergeant M. Gonzales and Deputy L. Doria with Harris County Precinct 4 Constable's Office; and Will Yale and David Green of Coats Rose, P.C., Attorney for the District.

Director Gobbell called the meeting to order.

**MINUTES OF THE MEETING OF 28 APRIL 2022**

The Directors first considered approval of the minutes of the meeting of the Board held on 28 April 2022. Director Gobbell requested a revision to page 1 of the minutes. After discussion, during which Director Ehmann stated that he would abstain, upon a motion duly made and seconded, the Board voted 4 to 0 in favor of approving the minutes of the meeting of 28 April 2022, as amended.

## **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.

## **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 98.3% of its 2021 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 12 checks written on the District's tax account, as well as the transfer by wire of \$1,348.53 in revenues from the tax for maintenance and operations to the District's Operating Fund.

Preliminary Report of Appraised & Taxable Values. Ms. Andel then informed the Board that Wheeler had received the Preliminary Report of Appraised & Taxable Values for the District for the 2022 tax year as prepared by the Harris County Appraisal District ("HCAD"). Ms. Andel noted that according to HCAD, the initial taxable value for the District for the 2022 tax year totals approximately \$431,802,895.

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 Ms. Madrigal, who presented the Engineer's Report as follows:

Rehabilitation of Sanitary Sewer System – Phase 2 (the "Phase 2 Rehabilitation"). The Board discussed the contract with Insituform Technologies, LLC ("Insituform") for the Phase 2 Rehabilitation. Ms. Madrigal reported that Insituform had

commenced the televised inspection of the sanitary sewer lines to be rehabilitated. She noted that the pre-televising was expected to be complete by the end of June 2022.

Lift Station No. 2 / Proposed Electrical Improvements. The Board discussed the proposed electrical improvements for Lift Station No. 2 (the "Electrical Improvements"). Ms. Madrigal stated that Quiddity had commenced work on the design for the Electrical Improvements as authorized at the Board's meeting on 28 April 2022. The design phase is expected to take approximately four months, she told the Board, and Quiddity anticipates submitting the drawings for the Electrical Improvements for agency review in early September 2022. She reminded the Board that the project will include the relocation of the electrical equipment at Lift Station No. 2 in addition to providing a new platform in compliance with the requirements of Harris County and the NEC Code.

Kleinwood Regional Wastewater Treatment Plant (the "Plant"). Ms. Madrigal reported on matters relating to the possible sale of available excess capacity in the Plant (the "Capacity") to Harris County Water Control & Improvement District No. 119 ("HCWCID 119"). She informed the Board that HCWCID 119 had increased its Capacity request from 800,000 gallons per day ("gpd") to 900,000 gpd. She explained that the revised Capacity request is closer to the existing capacity for HCWCID 119's wastewater treatment plant, which has a permitted capacity of 950,000 gpd. Ms. Madrigal stated that HCWCID 119 intends to undertake a feasibility study to evaluate the alignment options and costs for making a permanent connection with the Plant. To date, she told the Board, approximately 817,000 gpd of excess Capacity is available from the Plant participants. She noted that the Kleinwood Joint Powers Board (the "KJPB") was awaiting a response from Louetta North Utility District regarding its excess Capacity.

Ms. Madrigal then informed the Board that the engineer for the KJPB had presented an updated Capital Improvement Plan for the Plant with revised costs at the meeting of the KJPB held on 4 May 2022. She added that the KJPB plans to proceed later this year with the design of the Phase 3 Electrical Modifications, with construction to follow in 2023.

Groundwater Credits / Harris-Galveston Subsidence District (the "Subsidence District"). The Board discussed the status of the District's groundwater credits (the "Credits"). Ms. Madrigal reported that the District's Attorney was coordinating with the Subsidence District regarding the sale of the Series B Credit Certificates as discussed at the Board's meeting on 28 April 2022.

The Falls at Champion Forest Property Owners Association, Inc. (the "Association") / Private Water Well. The Board discussed matters regarding the private water well (the "Private Well") at the stormwater detention facility maintained by the Association (the "Detention Facility"). Ms. Madrigal reported that, according to research performed by the District's Attorney, the District apparently does not have an agreement with the Association regarding the ownership and maintenance of the Detention Facility. According to the minutes of the 12 August 2010 meeting of the Board, she continued,

the Directors voted to withdraw their offer to the Association for an agreement regarding the maintenance of the Detention Facility. Mr. Zilko then informed the Directors that during the period of 27 April to 24 May 2022 the Association had used 321,800 gallons of water for the Detention Facility, all of which was produced by the Private Well. Ms. Madrigal stated that she would notify the Subsidence District regarding this matter.

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**

Mr. Yale presented the Attorney's Report.

Proposed Agreement for Services for Sales Tax Monitoring (the "SRI Agreement"). Mr. Yale reviewed with the Board the proposed SRI Agreement between the District and SRI. He noted that under the proposed SRI Agreement the Sales Tax Survey Reports would be generated and presented to the Board by SRI on a quarterly basis rather than semiannually. Mr. Yale stated that the monthly cost to the District under the proposed SRI Agreement would be \$575, for an annual cost of \$6,900. Mr. Michael responded to questions from the Board regarding the proposed SRI Agreement.

After discussion, upon a motion duly made and seconded, the Board voted 4 to 1, with Directors Gobbell, Fratangelo, Allard, and Ehmann voting in favor and Director Guerrero opposed, to approve the SRI Agreement and to authorize execution of same. A copy of the SRI Agreement as approved by the Board is attached hereto and shall be considered to be part of these minutes.

Power Supply Issues / Public Power Pool. 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 10 May 2022, a copy of which is attached hereto.

House Bill 3693 Compliance / Electricity Consumption. Mr. Yale reminded the Board that Chapter 2265 of the Texas Government Code requires Texas political subdivisions to record and make available their utility usage and costs pursuant to House Bill 3693 ("HB 3693") as approved by the 80th Texas Legislature in 2007. He then submitted for the Board's review the HB 3693 Report for the District for calendar year 2021 as prepared by P3. A copy of the HB 3693 Report is attached hereto as an exhibit to these minutes.

Security Service Contract. The Board then discussed matters relating to the Security Service Contract (the "Contract") between the District and Harris County. Mr. Yale reminded the Board that the next term of the Contract would commence on 1 October 2022 and conclude on 30 September 2023. He called the Board's attention to

a letter dated 24 May 2022 from Harris County Precinct 4 Constable Mark Herman regarding the rate to be charged per officer for the Contract term that commences on 1 October 2022. A copy of the letter attached hereto as an exhibit to these minutes.

## **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 94.3% and that the District has 895 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 72% of the water distributed to the District's customers during the period ending 13 April 2022.

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.

2021 Drinking Water Quality Report (the "DWQR"). Mr. Zilko reviewed with the Board the draft DWQR as prepared by EDP. A copy of the draft DWQR is included with the Operator's Report.

Water Plant No. 1 / Perimeter Fence. Mr. Zilko reviewed with the Board the proposals submitted by Foster Fence LTD ("Foster") and Wright Solutions, LLC ("Wright") for the proposed replacement and repositioning of the northern section of the perimeter fence at the Water Plant No. 1 site (the "Fence Project"). Copies of the proposals are included with the Operator's Report. The Board noted that Foster had quoted a total price of \$23,846.83 for the construction of 8-foot fencing with privacy slats and that Wright had quoted a total price of \$22,750 for the construction of 8-foot fencing with privacy slats. Mr. Zilko explained that the construction of 8-foot fencing would remove the requirement for barbed wire on the top of the fencing.

Status of Invoices for Telecommunication Service. The Board discussed matters regarding the invoices received from AT&T Texas for telecommunication service at the District's facilities. Mr. Zilko discussed with the Board the option for using cellular telephone service for the autodialing units at the District's facilities. He stated that AT&T Texas had proposed the FirstNet Cellular service at a monthly cost of \$11 per location plus the initial hardware installation cost of up to \$825 per location. Mr. Zilko noted that there were five facility locations that would need to be converted to the cellular telecommunication service.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Operator's Report; (2) approve the DWQR, subject to review by the District's Attorney; (3) accept the Wright proposal and authorize the District's Operator to notify Wright to proceed with the Fence Project; and (4) accept the AT&T Texas proposal and authorize the District's Operator to proceed with converting the District's facilities to the FirstNet Cellular service as described above.

### **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.

### **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. Mr. Schuett informed the Board that he was planning to reconstruct the wooden bridge in the Walking Garden. He then discussed with the Board the status of the wi-fi service at the District Office. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Office Report.

### **BOOKKEEPER'S REPORT**

Mr. Schuett presented the Bookkeeper's Report on behalf of Claudia Redden & Associates, L.L.C. ("Redden"), the District's Bookkeeper. A copy of the Bookkeeper's Report is attached hereto as an exhibit to these minutes. Mr. Schuett 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.

### **SWIMMING POOL AT DISTRICT OFFICE**

The Board briefly discussed matters relating to the swimming pool on the District Office property (the "Pool"). Director Guerrero mentioned to the Board that residents of the District had asked him about the possible installation of water misters at the Pool.

Mr. Schuett remarked that any improvements relating to the Pool would be the responsibility of the Kleinwood Maintenance Fund, rather than the District.

**KJPB**

Director Fratangelo presented a report on the activities of the KJPB. A copy of the draft minutes of the KJPB meeting held on 4 May 2022 is attached hereto as an exhibit. Mr. Zilko reported on the status of the construction of the reclaimed water supply system by N&S Construction Co., LP.

**HARRIS COUNTY PRECINCT 3 COMMISSIONER / TOWN HALL MEETING**

Director Gobbell reported on his attendance at the Town Hall meeting conducted on 19 May 2022 by Tom S. Ramsey, the Harris County Precinct 3 Commissioner.

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 26 May 2022  
Attachments

1. Peace Officer Report;
2. Detention Facilities Report;
3. Tax Assessor/Collector's Report;
4. Engineer's Report;
5. SRI Agreement;
6. P3 Newsletter;
7. HB 3693 Report;
8. Letter from Constable's Office;
9. Operator's Report;
10. District Office Report;
11. Bookkeeper's Report; and
12. Draft minutes of KJPB meeting.