

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

22 December 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 22nd day of December 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, with Director Guerrero attending by teleconference, thus constituting a quorum. The Board noted that Director Guerrero could participate in the discussions but could not vote on matters before the Board at this meeting, pursuant to Section 551.127 of the Texas Government Code.

Also present were 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; Sergeant M. Gonzales and Deputy L. Doria with Harris County Precinct 4 Constable's Office; and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District. Attending by teleconference were René Andel of Wheeler & Associates, Inc. ("Wheeler"), the Tax Assessor/Collector for the District; and Dick Yale and Will Yale of Coats Rose.

Director Gobbell called the meeting to order.

**MINUTES OF THE MEETING OF 1 DECEMBER 2022**

The minutes of the meeting of the Board held on 1 December 2022, previously distributed to the Board, were presented for consideration and approval. After discussion, during which Director Ehmann stated that he would abstain, upon a motion duly made and seconded, Directors Gobbell, Fratangelo, and Allard voted to approve the minutes of the meeting of 1 December 2022, as written.

## **PEACE OFFICER'S REPORT**

The President recognized Sergeant Gonzales, 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.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The Board reviewed the Detention and Drainage Facilities Report (the "Detention Facilities Report") prepared by Champions Hydro-Lawn, Inc. 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. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Detention Facilities Report.

## **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 99.5% of the 2021 tax levy and 7.2% of the 2022 tax levy. 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, and two transfers by wire as follows: a transfer of \$40,015.83 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$35,000 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.

## **DELINQUENT TAX REPORT**

Ms. Anadel then submitted for the Board's review the Delinquent Tax Report as prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's Delinquent Tax Attorney. A copy of the Delinquent Tax Report is attached hereto.

## **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

completed the cured-in-place piping installation and was currently working on the manhole rehabilitation. She stated that the District's Engineer is estimating that the remaining work on the Phase 2 Rehabilitation will not be completed until the end of January 2023. She added that Quiddity is working with Insituform regarding the removal of concrete residue and curb painting within the District.

Ms. Madrigal then reported that Insituform had submitted Pay Estimate No. 6 in the amount of \$18,495 in connection with the Phase 2 Rehabilitation project. A copy of Pay Estimate No. 6 is included with the Engineer's Report.

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 was revising the plans for the Electrical Improvements pursuant to the agency review comments. She anticipated that the project would be ready to advertise for bids in February 2023.

Annual Water Plant Inspection. Ms. Madrigal reported that Quiddity was coordinating with the District's Operator to schedule the annual inspection of the District's Water Plants Nos. 1 and 2.

Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds. Ms. Madrigal reported that the Bond Application Report for the District's Series 2023 Bonds was submitted to the Texas Commission on Environmental Quality (the "Commission") on 19 December 2022.

Compliance with Revised Lead and Copper Rule. Ms. Madrigal reported that Quiddity plans to participate in the Commission's Drinking Water Advisory Work Group meeting on 10 January 2023 for a status update on guidance documents for public water systems to comply with the revised Lead and Copper Rule promulgated by the U.S. Environmental Protection Agency. Following the meeting, she told the Board, Quiddity plans to discuss proceeding with the District's lead service line inventory.

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. Ms. Madrigal noted that 42,200 gallons water were produced from the Private Well during the period of 22 November to 20 December 2022. She called the Board's attention to the status table detailing the Association's monthly water usage for the period of 27 December 2021 through 22 November to 20 December 2022, as detailed in the Engineer's Report. Ms. Madrigal stated that she and Mr. Zilko plan to meet with representatives of the Association to discuss the use of the Private Well.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; and (2) authorize payment of Pay Estimate No. 6 to Insituform. A copy of the Engineer's Report is attached hereto as an exhibit to these minutes.

## **ATTORNEY'S REPORT**

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

Directors Election. The Board discussed matters relating to the 6 May 2023 Directors Election required for the District. Mr. Yale remarked that Directors Gobbell, Fratangelo, and Guerrero have terms of office that would expire in 2023. He reviewed with the Board memorandum from the District's Attorney regarding the key dates for the Directors Election. A copy of the memorandum is attached hereto as an exhibit. Mr. Yale added that the Board would need to adopt an order calling the Directors Election at the 26 January 2023 Board of Directors meeting.

Senate Bill 3 (87th Texas Legislature – 2021) / Notice Regarding Extreme Weather Emergencies (the "Notice"). Mr. Yale reviewed with the Board a memorandum from the District's Attorney regarding the Notice to be provided to the District's customers pursuant to Rule §24.173 of the Texas Administrative Code as amended by Senate Bill 3. A copy of the memorandum is attached hereto as an exhibit. He explained that Rule §24.173 will require the District to transmit to the District's customers a Notice stating that the District is (1) prohibited from imposing late fees or disconnecting retail water or sewer service for nonpayment of bills that are due during an extreme weather emergency until after the emergency is over; (2) required to offer a payment schedule to a requesting affected customer for unpaid bills during an extreme weather emergency; and (3) prohibited from disconnecting the retail water or sewer service for nonpayment of bills due during an extreme weather emergency of an affected customer that has requested a payment schedule until after the payment schedule has been offered and the affected customer has either declined to accept the payment schedule in a timely fashion or violated the terms of the payment schedule. The Notice, he continued, must be printed in English and Spanish and be transmitted to the District's customers no later than 23 January 2023. For the purpose of the Notice, he told the Board, an "extreme weather emergency" is defined as a period beginning when the previous day's highest temperature in the area did not exceed 28 degrees Fahrenheit and the temperature is predicted to remain at or below that level for the next 24 hours according to the nearest National Weather Service reports for that area. Mr. Yale recommended that the District's Operator include the Notice as a billing insert prior to the deadline date.

Power Supply Issues / Public Power Pool ("P3"). 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 13 December 2022, a copy of which is attached hereto.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to accept the Attorney'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 91.9% 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 33% of the water distributed to the District's customers during the period ending 15 November 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 dated 9 December 2022, a copy of which is included with the Operator's Report.

Ultrasonic Water Meters. The Board discussed the status of the replacement of the existing water meters on the service connections in the District with Badger ultrasonic water meters (the "Badger Meters"). Mr. Zilko reported that the Badger Meters had been ordered.

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.

## **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 presented the Bookkeeper's Report on behalf of Claudia Redden & Associates, L.L.C., 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.

## **KLEINWOOD JOINT POWERS BOARD ("KJPB")**

Director Fratangelo presented a report on the activities of the KJPB. A copy of the draft minutes of the KJPB meeting held on 7 December is attached hereto as an exhibit.

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 22 December 2022  
Attachments

1. Peace Officer's Report;
2. Detention and Drainage Facilities Report;
3. Tax Assessor/Collector's Report;
4. Delinquent Tax Report;
5. Engineer's Report;
6. Memo / Directors Election;
7. Memo / Notice Regarding Extreme Weather Emergencies;
8. P3 Newsletter;
9. Operator's Report;
10. District Office Report;
11. Bookkeeper's Report; and
12. Draft minutes of KJPB meeting.