

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

25 January 2024

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 25th day of January 2024, 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:

|                   |   |
|-------------------|---|
| Joe Fratangelo    | President   |
| Sherry Allard     | Vice President                                    |
| Robert Ehmann     | Secretary/Treasurer                               |
| David C. Guerrero | Assistant Vice President<br>& Assistant Secretary |
| Jeff Gobbell      | Assistant Secretary                               |

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

Also present were Dona Washington of Wheeler & Associates, Inc. ("Wheeler"), the Tax Assessor/Collector for the District; David Warner, P.E., of Quiddity Engineering, LLC ("Quiddity"), Engineer for the District; Chris Zilko and Johnson Ashcraft of Environmental Development Partners, L.L.C. ("EDP"), Operator for the District; Roger Schuett, Office Manager for the District; Les Griffith representing Champions Hydro-Lawn, Inc. ("CHL"); Sergeant M. Gonzales and Corporal J. Gomez with Harris County Precinct 4 Constable's Office (the "Constable's Office"); Will Yale and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District; Jon Luc Blakborn representing Dutch Water Prevention, Inc. ("DWP"); and Tom Liewer, a resident of the District. Attending the meeting by teleconference was Dick Yale of Coats Rose.

Director Fratangelo called the meeting to order.

**MINUTES OF THE MEETING OF 21 DECEMBER 2023**

The minutes of the meeting of the Board held on 21 December 2023, 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, the Board voted 4 to 0 in favor of approving the minutes of the meeting of 21 December 2023, as written.

## **PEACE OFFICER'S REPORT**

The President recognized Deputy Gomez, 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.

## **PRESENTATION ON FLOOD PREVENTION**

The President recognized Mr. Blakborn, who gave a slideshow presentation to the Board titled "Solutions for Multi-Layered Flood Prevention," relating to methods and strategies for preventing stormwater flooding, including early warning systems, flood defense barriers, erosion control, and stormwater storage. He explained to the Board that DWP is headquartered in the Netherlands and has a local office in Cypress, Texas. Mr. Blakborn discussed with the Board possible flood prevention options for the District. No action was taken on this matter.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The President recognized Mr. Griffith, who submitted to and reviewed with the Board the Detention and Drainage Facilities Report (the "Detention Facilities Report") prepared by CHL 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. Washington, 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 22.1% of its 2023 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Ms. Washington noted that Wheeler was requesting approval for three checks written on the District's tax account, and two transfers by wire as follows: a transfer of \$103,109.41 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$200,00.00 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.

## **ENGINEER'S REPORT**

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

Lift Station No. 2 / Electrical Improvements. The Board discussed the contract with McDonald Municipal and Industrial ("McDonald") for the electrical improvements for Lift Station No. 2 (the "Electrical Improvements"). Mr. Warner reported that McDonald had completed the installation of the electrical duct banks, surge protection device, meter disconnection switch, driveway replacement and platform grating, and is currently working on the electrical and site improvements for Lift Station No. 2. He then reported that McDonald had submitted Pay Estimate No. 4 in the amount of \$63,818.10 in connection with the Electrical Improvements project. A copy of Pay Estimate No. 4 is included with the Engineer's Report.

Champion Woods Lift Station No. 3. Mr. Warner reported that Quiddity was finalizing the design for the proposed rehabilitation of Lift Station No. 3. He stated that advertising for bids on the project was scheduled for the following week with construction projected to commence in April 2024.

Request for Annexation of and Service to 9.2-acre Tract / Cypresswood Drive and Stuebner Airline Road. Mr. Warner stated that he had nothing new to report with regard to the request from Makaan Parkview Apartments, LLC for annexation of and service to a certain 9.2-acre tract located at Cypresswood Drive and Stuebner Airline Road.

Lead and Copper Service Line Inventory. Mr. Warner reported on the progress of the inventory of the service lines in the District (the "Inventory") pursuant to the revised Lead and Copper Rule promulgated by the U.S. Environmental Protection Agency. Quiddity received the field verification information from the District's Operator, he told the Board, and is currently finalizing the Inventory. He added that the Inventory was projected to be submitted to the Texas Commission on Environmental Quality (the "Commission") in April 2024.

Proposed Rehabilitation of Residential Roadways in the District. The Board discussed the proposed street repairs in the District to be performed by Harris County. Mr. Warner reported that on 18 January 2024 Quiddity contacted Jennifer Almonte of the Road & Bridge Department in Harris County Commissioner Precinct 3 regarding the requested street repairs in the District. According to Ms. Almonte, he told the Board, the contractor engaged by Harris County plans to mobilize in early February 2024 and will then commence construction on the street repairs identified by the District.

Water Line on Theiss Mail Route. Mr. Warner reported that Ms. Almonte informed Quiddity that Harris County was reviewing the District's request for reimbursement of certain expenses related to the repair of a 1.5-inch water service line on the north side of Theiss Mail Route which was damaged in late summer 2022 by a Harris County crew.

HteaO Commercial Development. Mr. Warner reported on matters relating to the proposed HteaO commercial development to be located at 8217 Louetta Road. He stated that Quiddity is awaiting the recorded plat from the developer's engineer prior to providing approval for the construction drawings.

Request for Service / IDS Car Wash. Mr. Warner reported that Quiddity is awaiting the revised drawings for final review of the proposed IDS Car Wash to be located at 8101 Louetta Road (the "IDS Tract"). He added that Quiddity received notification from the developer's engineer that Harris County approvals had been obtained for the ongoing site work in the IDS Tract.

Possible Request for Service / KFC Restaurant. Mr. Warner stated that he had nothing new to report at this time in connection with the inquiry from a developer of a certain tract located at the southwest corner of Mintwood Lane and Stuebner Airline Road. To date, he continued, Quiddity has not received a formal capacity request from the developer.

Water Plant No. 2 / Hydropneumatic Tank Addition (the "HPT Addition"). Mr. Warner reported that Quiddity is proceeding with the design of the proposed HPT Addition.

Rebuilding of Water Plant No. 1 (the "Rebuilding"). Mr. Warner presented the Board with a proposal from the District's Engineer (the "Quiddity Proposal") to provide design, bidding, and construction administration services in connection with the Rebuilding project. After discussion, upon a motion duly made and seconded, the Board voted 3 to 1, with Directors Fratangelo, Ehmann, and Gobbell voting in favor and Director Guerrero opposed, to accept the Quiddity Proposal and authorize execution of same. A copy of the executed Quiddity Proposal is attached hereto and shall be considered to be part of these minutes.

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. 4 to McDonald.

## **ATTORNEY'S REPORT**

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

Amendment to Information Form. Mr. Yale submitted for the Board's review and approval an Amendment to the District's Information Form (the "Amendment"). He explained that the Amendment states the aggregate initial principal amount of all bonds and refunding bonds payable in whole or in part from taxes that have been previously issued by the District, including the District's Series 2024 Bonds (the sale of which was completed on 8 January 2024). Mr. Yale noted that the Amendment will be filed with the Commission and in the Official Public Records of Real Property of Harris County, Texas. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Amendment and to authorize filing of same. A copy of the Amendment as approved is attached hereto and shall be considered part of these minutes.

Fourth Addendum to Water Supply Agreement (the "Fourth Addendum"). Mr. Yale reported on the status of the proposed Fourth Addendum to the Water Supply Agreement between the District and Klein Independent School District ("Klein ISD") that was approved at the Board's meeting on 30 November 2023. He recalled that on 5 January

2024 the District's Attorney conducted a teleconference with Mariana Evans of Rogers Morris & Grover, attorney for Klein ISD, to discuss the Fourth Addendum. Mr. Yale stated that Ms. Evans had requested certain revisions to the Fourth Addendum, including an update relating to the quantity of water usage for the facilities owned by Klein ISD that are receiving water service from the District (the "Klein ISD Facilities"). He continued that the engineer for Klein ISD would provide the District's Attorney with an estimate of water and sanitary sewer demand for the Klein ISD Facilities, which would then be reviewed by the District's Engineer.

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 9 January 2024, 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 101.2% 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 58% of the water distributed to the District's customers during the period ending 12 December 2023.

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.

Kleinwood Regional Wastewater Treatment Plant (the "Plant"). Mr. Zilko reviewed with the Board the cover page from the Operator's Report for the Plant dated 3 January 2024, a copy of which is included with the Operator's Report.

Significant System Repairs. Mr. Zilko reviewed with the Board the invoice detail and bill direct statement from EDP/Inframark, LLC for January 2024, copies of which are included with the Operator's Report.

Lift Station No. 2 / Lift Pump No. 2 (the "Lift Pump"). Mr. Zilko reported that the replacement Lift Pump had been ordered and would be installed when received. He noted that a rental pump had been installed in Lift Station No. 2 pending installation of the new Lift Pump.

Installation of Electronic Water Meters (the "Smart Meters"). Mr. Zilko reported on the installation of the Badger Bronze E-Series Smart Meters on water service connections

in the District. He informed the Board that, to date, 123 Smart Meters had been installed, with 89 Smart Meters being installed since the Board's meeting on 21 December 2024.

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. He reported that earlier this month he had shut off the water to the District Office and drained the pipes in advance of the "hard freeze" weather conditions. Mr. Schuett stated that after the hard freeze he replaced three water pipes that had cracked and reconnected the water fountain located near the swimming pool. He informed the Board that he did not intend to replace the refrigerated water fountain on the exterior of the District Office.

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. A discussion ensued regarding the District's investment.

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 3 January 2024 is attached hereto as an exhibit.

## **INTERNET WEBSITE**

The Board briefly discussed matters relating to the District's internet website (the "Website"). Mr. Yale called the Board's attention to an electronic correspondence from Russell Lambert of The Texas Network, the District's Webmaster, in which he enumerated the services being provided to the District by The Texas Network in connection with the hosting and administration of the Website. A copy of the electronic correspondence is attached hereto.

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 25 January 2024  
Attachments

1. Peace Officer's Report;
2. Detention Facilities Report;
3. Tax Assessor/Collector's Report;
4. Engineer's Report;
5. Proposal / Quiddity Engineering, LLC;
6. Amendment to Information Form;
7. P3 Newsletter;
8. Operator's Report;
9. District Office Report;
10. Bookkeeper's Report;
11. KJPB draft minutes; and
12. Email from The Texas Network.