

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

19 December 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 special session, open to the public, on the 19th day of December 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 & Assistant Secretary
Jeff Gobbell	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 Ashlie Whittemore 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 of Inframark LLC ("Inframark"), Operator for the District; Roger Schuett, Office Manager for the District; Les Griffith representing Champions Hydro-Lawn, Inc. ("CHL"); Sergeant M. Gonzales with Harris County Precinct 4 Constable's Office (the "Constable's Office"); Aimee Ordeneaux-Raley representing Texas Pride Disposal ("TPD"); Mike Pate representing Harris County Emergency Services District No. 16 ("HCESD 16"); Brad Dill of BD Realty Advisors; Tom Liewer, a resident of the District; and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District. Attending the meeting by teleconference was Will Yale of Coats Rose.

Director Fratangelo called the meeting to order.

HEAR FROM THE PUBLIC

The President recognized Mr. Liewer, who addressed the Board regarding the progress of the repairs to residential roadways in the District by Harris County.

MINUTES OF THE MEETING OF 21 NOVEMBER 2024

The minutes of the meeting of the Board held on 21 November 2024, 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 21 November 2024, as written.

PEACE OFFICER'S REPORT

The President recognized Sergeant Gonzales, who presented the Peace Officer's Report for November 2024, 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.

RESIDENTIAL SOLID WASTE COLLECTION SERVICE

The Board discussed the possibility of the District administering a contract for the collection of residential solid waste (the "Collection Contract") in the subdivisions located within the District, as an alternative to certain homeowner associations in the District administering their respective Collection Contracts. The President recognized Ms. Ordeneaux-Raley, who discussed with the Board the solid waste collection and recycling services currently being provided by TPD pursuant to the Collection Tracts with (1) Kleinwood Maintenance Fund, Inc.; (2) The Falls at Champion Forest Property Owners Association, Inc.; (3) the Community Association of Champion Wood Estates; and (4) Memorial Northwest Homeowners Association. She stated that TPD could maintain the current services to the subdivisions under a Collection Contract with the District. After further discussion, Ms. Ordeneaux-Raley stated that TPD would prepare a pro-forma Collection Contract between TPD and the District for review at a future meeting of the Board.

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. Whittemore, 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 99.2% of its 2023 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Ms. Whittemore noted that Wheeler was requesting approval for eight checks written on the District's tax account and the transfer

by wire of \$36,811.44 in revenues from the tax for maintenance and operations to the District's Operating 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. Whittemore 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 Mr. Warner, who presented the Engineer's Report as follows:

Schedule of Hourly Rates. Mr. Warner presented the Board with a proposed Schedule of Hourly Rates for Quiddity that would be effective on 1 January 2025 (the "Schedule"). A copy of the Schedule is attached hereto as an exhibit to these minutes.

Champion Woods Lift Station No. 3 / Rehabilitation. The Board discussed the contract with AR Turnkee Construction Company, Inc. (called "AR Turnkee") for the rehabilitation of Lift Station No. 3 (the "Lift Station Rehabilitation"). Mr. Warner reported that AR Turnkee had completed all of the punch list items for the Lift Station Rehabilitation. He informed the Board that AR Turnkee had submitted Pay Estimate No. 1 and FINAL in the amount of \$190,000.00 in connection with the Lift Station Rehabilitation project. A copy of Pay Estimate No. 1 and FINAL is included with the Engineer's Report. Mr. Warner then submitted for the Board's review and approval the Certificate of Acceptance for the Lift Station Rehabilitation project.

Water Plant No. 2 / Hydropneumatic Tank Addition (the "HPT Addition"). The Board discussed the contract with CFG Industries, LLC (called "CFG"), for the HPT Addition. Mr. Warner reported that the pre-construction meeting with CFG was held on 17 December 2024. He noted that the construction duration for the HPT Addition was approximately nine months.

Rebuilding of Water Plant No. 1. Mr. Warner reported that Quiddity was continuing work on the 90% design package for the project.

Rehabilitation of Residential Roadways in the District. Mr. Warner recalled that Harris County Precinct 3 had offered to reimburse the District in the amount of \$8,866.00 for certain expenses related to the repair of a 1.5-inch water service line on the north side of Theiss Mail Route (the "Repair Costs"). Pursuant to the discussion at the Board's meeting on 24 October 2024, he continued, the District's Engineer submitted a counteroffer request to Precinct 3 for Harris County to provide the District with reimbursement in the amount of \$24,700.00, which is approximately 75% of the Repair

Costs. He stated that the District's Engineer was awaiting a response from Precinct 3 regarding the counteroffer request.

Possible Request for Annexation / 0.95-acre Tract on Stuebner-Airline Road (the "Whitmore Tract"). Mr. Warner reported that Jack Whitmore, the owner of the Whitmore Tract, had informed Quiddity that he was interested in selling the Whitmore Tract to the Stuebner Airline Veterinary Hospital. He noted that, to date, Mr. Whitmore had not placed the required annexation deposit with the District.

Request For Service / Kidney Dialysis Clinic (the "Clinic") / FKC Klein. Mr. Warner noted that the proposed development of the Clinic had been paused.

Annual Water Plant Inspections. Mr. Warner reported that Quiddity is finalizing the inspection reports in connection with the field inspections conducted earlier this year of the District's Water Plants.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Engineer's Report; (2) approve the Schedule of Hourly Rates; (3) authorize payment of Pay Estimate No. 1 and FINAL to AR Turnkee; and (4) approve and authorize execution of the Certificate of Acceptance for the Lift Station Rehabilitation. A copy of the Certificate of Acceptance is attached hereto as an exhibit to these minutes.

ATTORNEY'S REPORT

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

Water Supply Agreement / Klein Independent School District ("Klein ISD"). Mr. Yale reported that the District's Attorney was preparing an Amended and Restated Water Supply Agreement between the District and Klein ISD to supersede the Water Supply Agreement dated 18 September 1982, as amended.

Directors Election. The Board discussed matters relating to the 3 May 2025 Directors Election required for the District. Mr. Yale remarked that Directors Allard and Ehmann have terms of office that would expire in 2025. He reviewed with the Board a 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 23 January 2025 Board of Directors meeting.

RATE ADJUSTMENT / LANDSCAPING SERVICES AT DISTRICT OFFICE

The Board discussed matters relating to the landscaping services at the District Office (the "Landscaping Services") being performed by Brookway Horticultural Services, Inc. ("Brookway"). Mr. Schuett reviewed with the Board a letter dated 21 November 2024 from Roger Hooker of Brookway in which Mr. Hooker discussed the need for Brookway to increase the monthly rate billed to the District for the Landscaping Services from \$1,664.00 to \$1,747.20, effective 1 January 2025. A copy of the letter is attached hereto

as an exhibit. After discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the increase in the monthly rate for the Landscaping Services as described above.

RATE ORDER / GREASE TRAP INSPECTIONS

The Board next discussed matters relating to the monthly inspection of grease traps on sanitary sewer connections in the District (the "Grease Trap Inspections") as required under Section 2.06.F of the District's Consolidated Rate Order (the "Rate Order"). The President recognized Mr. Pate and Mr. Dill, who addressed the Board regarding the Grease Trap Inspections. Mr. Pate explained to the Board that the HCESD 16 facility in the District is classified by the District as a commercial customer. However, he continued, there are no more than four firemen at the HCESD 16 facility at any given time and the sanitary sewer usage at the building is minimal. Mr. Pate explained that there are two grease traps at the HCESD 16 facility and accordingly the monthly cost of \$200 for the Grease Trap Inspections (\$100 per grease trap) presents a financial hardship for HCESD 16. Mr. Dill proposed that the Board amend the Section 2.06.F of the Rate Order to state that Grease Trap Inspections for entities in the District that provide emergency services would be performed on an annual basis rather than monthly. The Directors agreed to consider amending the Rate Order as proposed by Mr. Dill at the Board's meeting on 23 January 2025.

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 65.7% and that the District has 898 service connections, including four vacant single-family residences. He noted that surface water received from the North Harris County Regional Water Authority (the "NHCRWA") accounted for 77% of the water distributed to the District's customers during the period ending 12 November 2024.

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 2 December 2024, a copy of which is included with the Operator's Report.

Water Main Break. Mr. Zilko reported on the break that occurred in early November 2024 in the District's 12-inch main water line located on Louetta Road. The water line leak was not immediately visible because most of the water from the breach was being directed into a storm sewer, said Mr. Zilko. He noted that the water line leak caused the District's accountability rate to decrease to 65.7% for the reporting period.

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 4 December 2024 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.

Secretary, Board of Directors

SEAL

Kleinwood Municipal Utility District
Meeting of 19 December 2024
Attachments

1. Peace Officer's Report;
2. Detention Facilities Report;
3. Tax Assessor/Collector's Report;
4. Delinquent Tax Attorney's Report;
5. Engineer's Report;
6. Schedule of Rates for District's Engineer;
7. Certificate of Acceptance / Lift Station Rehabilitation;
8. Memo / Directors Election;
9. Letter from Brookway Horticultural Services, Inc.;
10. Operator's Report;
11. District Office Report;
12. Bookkeeper's Report; and
13. KJPB draft meeting minutes.