

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

24 April 2025

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, at 6:00 p.m., the 24th day of April 2025, 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 the exception of Director Allard, thus constituting a quorum.

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 and Johnson Ashcraft of Inframark, LLC ("Inframark"), Operator for the District; Roger Schuett, Office Manager for the District; Deputy J. Gomez with Harris County Precinct 4 Constable's Office (the "Constable's Office"); Derek Michael representing Sales Revenue, Inc.; Tom Liewer, a resident of the District; and Will Yale and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for 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 27 MARCH 2025

The minutes of the meeting of the Board held on 27 March 2025, 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 3 to 0 in favor of approving the minutes of 27 March 2025, 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 discussed security related issues with Deputy Gomez, including: (1) the damage being caused to the wooden fence behind the H-E-B supermarket that is located east of the Champion Woods Estates Detention Pond (the "Detention Pond") site; and (2) people trespassing onto the Detention Pond site. 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

Director Fratangelo distributed to the Board copies of the Detention and Drainage Facilities Report (the "Detention Facilities Report") prepared by Champions Hydro-Lawn, Inc. in connection with the maintenance of the 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 93.9% of its 2024 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 six checks written on the District's tax account.

Identity Theft Prevention Program. Ms. Whittemore reviewed with the Board the annual report prepared by Wheeler in connection with its Identity Theft Prevention Program. A copy of the report is attached hereto as an exhibit. Ms. Whittemore stated that no "red flags" had been raised during the past year and that all of the procedures were working smoothly for Wheeler.

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:

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 CFG had mobilized earlier this month and is currently installing the formwork and reinforcing steel for the foundation for the hydropneumatic

tank (the "HPT"). He stated that the HPT is currently being manufactured and is expected to be delivered later this month or in early May 2025 for the installation.

Rebuilding of Water Plant No. 1 (the "Rebuilding Project"). Mr. Warner reported that Quiddity is addressing comments from certain reviewing agencies on the plans for the Rebuilding Project. He noted that the plans for the Rebuilding Project had received approval from the Harris County Flood Control District. Mr. Warner then reviewed with the Board the Notice of Detention Requirements form for the Rebuilding Project that is required by Harris County. A copy of the Notice of Detention Requirements form is included with the Engineer's Report.

Request for Reimbursement of Repair Costs for Water Line on Theiss Mail Route (the "Reimbursement"). Mr. Warner recalled that Quiddity had submitted the District's claim for the Reimbursement (the "Claim") to the Harris County Commissioners Court as recommended by Harris County Precinct 3 Commissioner Tom Ramsey. He noted that Jennifer Almonte of Precinct 3 had confirmed to Quiddity that the Claim had been received by Harris County Human Resources and Risk Management, which will review and process the Claim.

Requests For Service. Mr. Warner reported that the HTeaO restaurant is open for business. He recalled that Quiddity had conditionally approved a proposed sign for the IDS Car Wash contingent on approval from the North Harris County Regional Water Authority (the "NHCRWA"), due to the sign's proximity to a NHCRWA water line.

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.

ATTORNEY'S REPORT

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

Residential Solid Waste Collection Service. The Board discussed the proposed assumption by the District of the contracts for the collection of residential solid waste (the "Collection Contracts") in the subdivisions located within the District, as an alternative to certain homeowner associations in the District administering their respective Collection Contracts. Mr. Yale discussed with the Board the draft Residential Solid Waste Collection Contract (the "TPD Contract") as prepared by Texas Pride Disposal (called "TPD") and reviewed a memorandum prepared by Coats Rose that summarizes (1) the solid waste collection service (the "Service") that would be provided under the TPD Contract to District customers in Kleinwood Subdivision, The Falls at Champion Forest Subdivision, Champion Woods Estates Subdivision, and a portion of Section 19 of Memorial Northwest Subdivision (collectively, the "Subdivisions"); and (2) the monthly rate that would be charged to the District for the Service provided in each of the Subdivisions. A copy of the memorandum is attached hereto as an exhibit to these minutes. Mr. Yale remarked that TPD was holding firm with regard to offering the District a Collection Contract with a single monthly rate of \$25.48 per active connection. He then pointed out to the District that the customers in a portion of Section 19 of Memorial Northwest Subdivision (called "Section

19") could not be billed by the District for the Service through an increment in the District's fee for sanitary sewer service because the customers in Section 19 are provided with water and sanitary sewer service by Harris County MUD No. 24 through Hays Utility Service. After discussion, the Directors agreed that Service to Section 19 should not be included in the TPD Contract.

Consideration was then given to authorizing the District's Attorney to meet with representatives of the Kleinwood Maintenance Fund (the "KMF"), The Falls at Champion Forest Property Owners Association, Inc. (called "The Falls POA"), and the Community Association of Champion Woods Estates (the "CWE Association") to ask if they would be interested in their respective organizations joining the TPD Contract at a monthly rate of \$25.48 per service connection. After discussion, upon a motion duly made and seconded, the Board voted 3 to 1, with Directors Fratangelo, Gobbell, and Guerrero voting in favor and Director Ehmann opposed, to authorize Mr. Yale to meet with the KMF, The Falls POA, and the CWE Association to discuss the TPD Contract.

Water Supply Agreement / Klein Independent School District ("Klein ISD"). The Board discussed the preparation by the District's Attorney of a proposed Amended and Restated Water Supply Agreement between the District and Klein ISD (the "Amended Agreement") to supersede the Water Supply Agreement dated 18 September 1982, as amended. Mr. Yale reported that he had revised the Amended Agreement as discussed at the Board's meeting on 27 February 2025 and had transmitted the document to Klein ISD for review.

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"), including P3's upcoming procurement of electric power supply for the period beginning 1 January 2026 (the "Procurement"). Mr. Yale submitted to and reviewed with the Board the Procurement Proposal for Electric Power Supply Beginning 1 January 2026 as prepared by P3, a copy of which is attached hereto as an exhibit to these minutes. Mr. Yale remarked that the District's Bookkeeper would need to confirm that the ESI numbers for the District's electric service accounts as presented in the Procurement Proposal were accurate. Mr. Yale mentioned that the District would continue its P3 membership through the Procurement cycle and contract period unless the Board voted to provide notice to P3 of its intent to withdraw from P3 on or before 8 May 2025.

KLEINWOOD DOLPHINS SWIM TEAM (the "Swim Team")

The Board then considered purchasing a sponsorship for the Swim Team for the 2025 season (the "Sponsorship"). Director Gobbell informed the Board that the Swim Team was on hiatus for the 2025 season and accordingly it would not request the purchase of a Sponsorship by the District.

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 97.1% and that the District has 898 service connections, including three vacant single-family residences. He noted that surface water received from the NHCRWA accounted for 54% of the water distributed to the District's customers during the period ending 13 March 2025.

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 April 2025, a copy of which is included with the Operator's Report.

Miscellaneous Repairs. Mr. Zilko reported that the new autodialing unit had been installed in lift station No. 3 and was in service. He then reported that the asphalt street repairs had been completed at Louetta Road and Squyres Road following the emergency water main break repair in November 2024.

A discussion then ensued regarding possible leaks in the District's water distribution system. The Board directed the District's Attorney to post a notice on the District's website with the telephone number for Inframark and encouraging the District's customers to notify Inframark when they observe an apparent water line leak in the District.

2024 Drinking Water Quality Report (the "DWQR"). Mr. Zilko reviewed with the Board the draft DWQR as prepared by Inframark. A copy of the draft DWQR is included with the Operator's Report. Mr. Zilko stated that the DWQR would be posted on the District's website and that Inframark would provide the District's customers with a link for viewing the DWQR on Inframark's website.

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Operator's Report; and (2) approve the DWQR. A copy of the DWQR is attached hereto as an exhibit.

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.

SALES AND USE TAX ALLOCATION REPORT

Mr. Michael submitted to and reviewed with the Board the Sales and Use Tax Allocation Report dated April 2025 (the "Sales Tax Report") prepared by Sales Revenue, Inc. in connection with the limited purpose annexation of commercial property in the District under the Strategic Partnership Agreement between the District and the City of Houston. A copy of the Sales Tax Report is attached hereto as an exhibit to these minutes.

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.

Swimming Pool at Kleinwood Clubhouse. Mr. Schuett reported on the repairs and improvements made to the swimming pool area at the Clubhouse (the "Corrective Measures") in response to the inspection conducted earlier this year by Harris County Public Health (called "HCPH"). He stated that HCPH conducted a re-inspection on 8 April 2025, which resulted in two minor items to be addressed. A discussion then ensued regarding the sharing of the cost for the Corrective Measures (the "Cost") between the District and the KMF. Director Gobbell remarked that while the KMF manages the swimming pool and hires the lifeguards for same, the swimming pool is owned by the District and is leased to the KMF.

After discussion, during which Director Gobbell stated that he would abstain, upon a motion duly made and seconded, the Board voted 3 to 0 in favor of the District offering to pay 60% of the Cost with the KMF to be responsible for the balance of the Cost.

A discussion then ensued regarding three dead pine trees that are situated in a tract of land owned by Klein ISD (the "Klein ISD Tract") that is adjacent to the tract in which the Clubhouse and swimming pool are located (the "Clubhouse Tract"). The Directors expressed their concern that the dead pine trees pose a potential threat to life and property and could possibly topple onto the Clubhouse Tract. After further discussion, the Board directed the District's Attorney to draft a letter to Klein ISD requesting the immediate removal of the dead pine trees from the Klein ISD Tract. A copy of a letter dated 29 April 2025 from Coats Rose to Carl Robeck of Klein ISD is attached hereto as an exhibit to these minutes.

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

Director Ehmann departed from the meeting at this time to attend to a personal commitment.

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 2 April 2025 is attached hereto as an exhibit

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 24 April 2025
Attachments

1. Peace Officer's Report;
2. Detention Facilities Report;
3. Tax Assessor/Collector's Report;
4. ID Theft Prevention Report / Wheeler & Associates;
5. Engineer's Report;
6. Memo from Coats Rose;
7. P3 Procurement Proposal;
8. Sales Tax Report;
9. Operator's Report;
10. 2024 Drinking Water Quality Report;
11. District Office Report;
12. Letter from Coats Rose to Klein ISD;
13. Bookkeeper's Report; and
14. KJPB draft meeting minutes.