

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

26 March 2026

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. on the 26th day of March 2026, 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:

Sherry Allard	President
Robert Ehmann	Vice President
David C. Guerrero	Secretary/Treasurer
Joe Fratangelo	Assistant Secretary
Tom Liewer	Assistant Vice President & Assistant Secretary

and all of said persons were present, with Director Allard attending by teleconference, thus constituting a quorum. The Board noted that Director Allard 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 David Warner, P.E., of Quiddity Engineering, LLC ("Quiddity"), Engineer for the District; Johnson Ashcraft 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 and Deputy J. Gomez with Harris County Precinct 4 Constable's Office (the "Constable's Office"); Rod Rudine representing Texas Groundworks Maintenance ("TGM"); Magen Fischer and Derek Michael with Sales Revenue, Inc. ("SRI"); Will Yale and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District; and Jane Van Nort, a resident of the District. Attending the meeting by teleconference was Dick Yale of Coats Rose.

Director Ehmann called the meeting to order.

**HEAR FROM THE PUBLIC**

The Vice President recognized Ms. Van Nort, who addressed the Board regarding trespassers on the Champion Woods Estates Detention Pond and the condition of the wooden fence behind the H-E-B supermarket (the "H-E-B Fence") that is located east of the Detention Pond site. Mr. Will Yale remarked that many water districts have experienced problems with all-terrain vehicles ("ATVs") being driven on their detention

pond sites. Sergeant Gonzales discussed with Ms. Van Nort the procedure for alerting the Constable's Office to the presence of trespassers on the Detention Pond site.

The Vice President then recognized Mr. Rudine, who briefly discussed with the Board the services available from TGM.

## **MINUTES OF THE MEETING OF 26 FEBRUARY 2026**

The minutes of the meeting of the Board held on 26 February 2026, previously distributed to the Board, were presented for consideration and approval. Mr. Warner requested a revision to page 5 of the minutes. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 26 February 2026, as amended.

## **PEACE OFFICER'S REPORT**

The Vice 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.

## **DETENTION AND DRAINAGE FACILITIES REPORT**

The Vice 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. A discussion ensued regarding ATVs being driven on the Detention Pond site. Mr. Griffith stated that he would obtain pricing options for the fabrication of large "No Trespassing" signs to be placed at the Detention Pond site. The Board also discussed the condition of the H-E-B Fence that is located east of the Detention Pond site on property owned by Phillips Edison & Company ("Phillips"). The Board discussed the H-E-B Fence again later in the meeting during the presentation of the Engineer's Report and the District Office Report. 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 Vice President recognized Ms. Fischer, who reviewed with the Board the Tax Assessor/Collector's Report as prepared by Wheeler & Associates, Inc., the Tax Assessor/Collector. A copy of the Tax Assessor/Collector's Report is attached hereto. The Board noted that the District had collected 92.1% of its 2025 taxes. The Directors also reviewed and discussed the Delinquent Collections Listing, a copy of which is attached hereto. Ms. Fischer noted that Wheeler was requesting approval for 13 checks written on the District's tax account, and two transfers by wire as follows: a transfer of \$28,355.89 in revenues from the tax for maintenance and operations to the District's Operating Fund and \$300,000.00 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.

### **DELINQUENT TAX REPORT**

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

Water Plant No. 2 / Hydropneumatic Tank Addition (the "HPT"). Mr. Warner reported that CFG Industries, LLC ("CFG") had completed the pressure testing and disinfection of the HPT, which has been placed into service. He stated that CFG is proceeding with the remaining items for the HPT project, which is expected to be completed in the coming weeks.

Water Plant No. 2 / Ground Storage Tank No. 2 ("GST No. 2"). Mr. Warner recalled that DN Tanks, the manufacturer of GST No. 2, had completed the repair work within GST No. 2, which included sealant reapplications to the piping penetrations, removal of rust nodules found at the fill line encasements, and the sealing of any cracks along the floor that were observed during the inspection. He stated that GST No. 2 has been partially filled for the inspection of the piping and the measurement of the water level (collectively, the "GST Inspection"). He noted that the GST Inspection was scheduled to be performed by the District's Engineer and Operator on 27 March 2026.

Rebuilding of Water Plant No. 1 (the "Rebuilding Project"). Mr. Warner reported that on 18 March 2026 Quiddity issued the Notice to Proceed for the Rebuilding Contract to R&B Group, Inc. ("R&B"). He remarked that R&B intends to commence mobilization in early April 2026, depending on the status of GST No. 2 at Water Plant No. 2.

Requests for Service. Mr. Warner discussed with the Board the request from Harris County (the "County") for Quiddity to review plans for certain restroom improvements to be constructed in Meyer Park (the "Restroom Improvements"). He stated that Quiddity was recently informed by the County's development team that the Restroom Improvements project was in the bidding phase. Mr. Warner said that Quiddity informed the County and the development team that the connections between the Restroom Improvements and the District's water distribution system cannot be completed prior to receiving plan approval from the District's Engineer. He remarked that the County is working to provide Quiddity with the required deposit for the review of the plans for the Restroom Improvements.

Mr. Warner then reported on the status of the request for water and sanitary sewer capacity for the proposed commercial development in a 4.4-acre tract located at

Cypresswood Drive and Stuebner Airline Road, a portion of which is located outside the boundaries of the District. He stated that Quiddity completed its review of the plans and issued Plan Review Letter No. 1 for the gas station and retail store to be located at 6945 Cypresswood Drive.

Annual Water Plant Inspections. Mr. Warner recalled that Quiddity had completed the first round of fieldwork for the Inspections and plans to complete the remaining fieldwork once GST No. 2 at Water Plant No. 2 is fully operational.

America's Water Infrastructure Act ("AWIA") Updates. Mr. Warner reported that Quiddity is updating the following documents of the District pursuant to the requirements of the AWIA: (1) the Risk and Resilience Assessment, which must be submitted to the U.S. Environmental Protection Agency (the "EPA") by 30 June 2026; and (2) the Emergency Response Plan, which must be submitted to the EPA by 31 December 2026.

H-E-B Fence. Mr. Warner reported that Quiddity made several attempts to contact Carolyn Cruise of Phillips regarding the condition of the H-E-B Fence. He explained that the electronic mail messages transmitted to Ms. Cruise had not been opened by the recipient.

Pavement Repairs. Mr. Warner reported that in late February the District's Engineer attended a site visit with Director Fratangelo to inspect four locations in the District in which the public roadways require pavement repairs (the "Repair Locations"), as listed in the Engineer's Report. Quiddity contacted Jennifer Almonte of Harris County Precinct 3 regarding the desired pavement repairs, he continued, and has since been informed that Precinct 3 has added the Repair Locations to its repair queue.

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

## **ATTORNEY'S REPORT**

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

Texas Comptroller / Special Purpose District Report. Mr. Yale reported that on 24 March 2026 the District's Attorney had filed the Special Purpose District Report (the "SPD Report") with the Texas Comptroller's Office pursuant to Senate Bill 625 as approved by the 85th Texas Legislature (Regular Session – 2017). He reviewed with the Board the SPD Report Summary and Confirmation, copies of which are attached hereto as exhibits to these minutes.

First Amendment to Agreement for Management of the District Office (the "First Amendment"). Mr. Yale reported that the District's Attorney was working with Mr. Schuett to prepare the First Amendment.

## **CONFIRM ENGAGEMENT OF AUDITOR**

Mr. Yale discussed with the Board the need to confirm the engagement of McCall Gibson Swedlund Barfoot Ellis, PLLC ("McCall") for preparation of the District's annual financial report for the fiscal year ending 31 March 2026 (the "Audit Report"). He recalled that on 27 March 2025 the Board had accepted a proposal from McCall to audit the financial statements of the District for each fiscal year on a continuing basis, commencing with the fiscal year ending 31 March 2025. Mr. Yale then submitted for the Board's review and approval a copy of the Audit Continuance Letter dated 3 March 2026 from McCall. He pointed out to the Board that McCall estimated that the fees to be charged to the District for the preparation of the Audit Report for the fiscal year ending 31 March 2026 would range from \$21,000.00 to \$23,000.00. After discussion, upon a motion duly made and seconded, the Board voted unanimously to approve the Audit Continuance Letter and authorize McCall to prepare the Audit Report for the fiscal year ending 31 March 2026. A copy of the Audit Continuance Letter is attached hereto as an exhibit to these minutes.

## **PROPOSAL FOR INSURANCE COVERAGE**

Next, the Board reviewed the Proposal for Insurance Coverage (the "AJG Proposal") for the policy term of 30 April 2026 through 30 April 2027 as submitted by Arthur J. Gallagher & Co. A copy of the AJG Proposal is attached hereto as an exhibit. Mr. Yale reported that, to date, Coats Rose had not received a Proposal for Insurance Coverage (the "B&B Proposal") from Brown & Brown Insurance Services, Inc. (called "B&B"). He stated that the District's Attorney would forward a copy of the B&B Proposal to the Directors by U.S. Mail and by electronic mail when it is received from B&B.

## **KLEINWOOD DOLPHINS SWIM TEAM (the "Swim Team")**

The Board then considered purchasing a sponsorship for the Swim Team for the 2026 season (the "Sponsorship"). The Directors noted that the Swim Team was on hiatus for the 2026 season and accordingly it would not request the purchase of a Sponsorship by the District.

## **OPERATOR'S REPORT**

The Vice President recognized Mr. Ashcraft, who submitted to and reviewed with the Board the Operator's Report as follows:

Water Plant Operations. Mr. Ashcraft reported that the billed to pumped ratio for the prior month was 99.6% and that the District has 897 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 95% of the water distributed to the District's customers during the period ending 10 February 2026.

Utility Operator's Report. Mr. Ashcraft reviewed with the Board the significant system repairs report, 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. Ashcraft reviewed with the Board the cover page from the Operator's Report for the Plant dated 4 March 2026, a copy of which is included with the Operator's Report.

Identity Theft Prevention Program. Mr. Ashcraft reviewed with the Board the annual report prepared by Inframark in connection with its Identity Theft Prevention Program. A copy of the report is included with the Operator's Report. Mr. Ashcraft stated that no "red flags" had been raised during the past year and that all of the procedures were working smoothly for Inframark.

Wastewater Collection System. Mr. Ashcraft reported that Inframark inspected a segment of sanitary sewer line at 16303 Lyons School Road that recently experienced a blockage. The inspection of the sanitary sewer line revealed multiple sags and a heavy accumulation of grease, he told the Board. He noted that the sanitary sewer line was intact and had not collapsed. Mr. Ashcraft added that the inspection information will be reviewed by the District's Engineer.

Unauthorized Connection to Water Distribution System. Mr. Ashcraft reported that Inframark recently discovered an unauthorized connection at the blowoff valve on the water line near the Laserwash Carwash on Cypresswood Drive. The unauthorized connection was removed, he continued, and Inframark is investigating the matter.

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 service to certain delinquent accounts. The Vice President recognized Mr. Ashcraft, 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 March 2026 (the "Sales Tax Report") prepared by SRI 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 Vice President recognized Mr. Schuett, who presented the report concerning the District Office (the "Office Report"), a copy of which is attached hereto. Mr. Schuett reported that he had replaced several pickets in the wooden fence (the "Fence") located between the Kleinwood Clubhouse tract and the sports facility located at 16666 Kleinwood Drive (the "Sports Facility"). He explained that the Fence is frequently damaged by impacts from soccer balls or baseballs from the Sports Facility. After discussion, the Board directed the District's Attorney to transmit a letter to the operator of the Sports Facility regarding the damage being caused to the Fence.

Mr. Schuett then submitted to the Board a proposal for replacing the first 14 linear feet of the H-E-B Fence, using 3/4-inch treated plywood to be covered with wooden pickets. A copy of the proposal is included with the Office Report. A discussion ensued regarding the H-E-B Fence. The Board then directed Mr. Yale to transmit a letter to Phillips regarding the condition of the H-E-B Fence.

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.

## **OPERATING BUDGET FOR FISCAL YEAR ENDING 31 MARCH 2027**

Mr. Schuett distributed copies of the draft Operating Budget for the District for the fiscal year ending 31 March 2027 (the "Budget"), a copy of which is attached hereto as an exhibit. After discussion, the Board directed Mr. Schuett to decrease the Expense item for the NHCRWA Assessment from \$1,200,000.00 to \$850,000.00. Then, after review, upon a motion duly made and seconded, the Board voted unanimously to adopt the Budget, as amended.

## **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 March 2026 is attached hereto as an exhibit.

## **KLEINWOOD MAINTENANCE FUND ("KMF")**

Director Fratangelo reported on his attendance at a recent meeting of the KMF's board of directors. He stated that attendees commented on the appearance of the

District's Walking Park at 16433 Squyres Road. Director Fratangelo expressed his view that the condition of the landscaping and trees at the District's Water Plant No. 1 site needed to be improved. A discussion then ensued regarding the vacant lot owned by the Harris County Flood Control District at 77515 Kleingreen Lane (the "Lot"). The Board directed the District's Attorney to look into whether the Lot could be purchased by the District.

There being no further business to come before the Board, the meeting was adjourned.



  
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Secretary, Board of Directors

Kleinwood Municipal Utility District  
Meeting of 26 March 2026  
Attachments

1. Peace Officer's Report;
2. Detention Facilities Report;
3. Tax Assessor/Collector's Report;
4. Delinquent Tax Report;
5. Engineer's Report;
6. Special Purpose District Report;
7. Audit Continuation Letter;
8. Proposal from Arthur J. Gallagher & Co.;
9. Operator's Report;
10. Sales Tax Allocation Report;
11. District Office Report;
12. Bookkeeper's Report;
13. Operating Budget; and
14. KJPB draft meeting minutes.