

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

23 April 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 23rd day of April 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 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; Missy Steadman of Inframark, LLC ("Inframark"), Operator for the District; Roger Schuett, Office Manager for the District; Les Griffith and John Rocha 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"); and Will Yale and David Green of Coats Rose, P.C. ("Coats Rose"), Attorney for the District. Attending the meeting by teleconference were Kim Courte of Arthur J. Gallagher & Co. ("Gallagher"); John Hill of Brown & Brown Insurance Services, Inc. ("Brown & Brown"); and Dick Yale of Coats Rose.

Director Ehmann called the meeting to order.

PROPOSALS FOR INSURANCE COVERAGE

First, the Board discussed the Proposals for Insurance Coverage (the "Proposals") for the policy term of 30 April 2026 through 30 April 2027 as submitted by Gallagher and Brown & Brown. The Vice President recognized Mr. Hill and Ms. Courte, who addressed the Directors in turn regarding their respective Proposals and responded to questions

from the Board. The Directors then deferred further discussion regarding the Proposals to later in the meeting.

HEAR FROM THE PUBLIC

Mr. Yale submitted for the Board's review an electronic correspondence dated 31 March 2026 from Rick Fidler in which he expressed his concern regarding the condition of (1) the wooden perimeter fence at the Walking Park located at 16433 Squyres Road in the District; and (2) a dead pine tree located near the Walking Park. A copy of the electronic correspondence is attached hereto as an exhibit to these minutes.

MINUTES OF THE MEETING OF 26 MARCH 2026

The minutes of the meeting of the Board held on 26 March 2026, 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 26 March 2026, as written.

PEACE OFFICER'S REPORT

Mr. Yale distributed copies of the Peace Officer's Report as prepared by the Constable's Office. A copy of the Peace Officer's Report is attached hereto. The Directors briefly discussed security related issues.

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. Mr. Griffith discussed with the Board the proposed fabrication of large "No Trespassing" signs to be placed at the Detention Pond site (the "Signs"). He estimated the cost to fabricate and install each Sign at \$500.00.

The Board also discussed 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 on property owned by Phillips Edison & Company ("Phillips"). Mr. Griffith presented the Board with photographs taken of the H-E-B Fence earlier this date, copies of which are attached hereto. Mr. Yale stated that the District's Attorney had transmitted a letter to Phillips, requesting that Phillips take immediate action to rehabilitate the H-E-B fence where it fronts the Detention Pond. Attached hereto as an exhibit is a copy of the letter dated 22 April 2026 from the District's Attorney to Brad Wick of Phillips.

After discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Detention Facilities Report; and (2) authorize CHL to order and install three Signs in the Detention Pond.

TAX ASSESSOR/COLLECTOR'S REPORT

The Vice 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 95.4% of its 2026 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 12 checks written on the District's tax account and the transfer by wire of \$20,606.87 to the District's Operating Fund.

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"). Mr. Warner reported that CFG Industries, LLC is finalizing the remaining items for the HPT project, consisting of construction of the swale, installation of the drain line extension, and general site restoration. Upon the completion of these remaining items, said Mr. Warner, Quiddity will schedule a substantial completion inspection.

Water Plant No. 2 / Ground Storage Tank No. 2 ("GST No. 2"). Mr. Warner reported that GST No. 2 was recently filled to normal operating capacity and the water level was measured over the course of several days. There was no observed change to the water level, he continued, nor were any leaks observed in the area surrounding GST No. 2. Mr. Warner stated that GST No. 2 was returned to service after passing the required bacteriological tests. He added that construction of the project at Water Plant No. 1 may now commence.

Rebuilding of Water Plant No. 1 (the "Rebuilding Project"). Mr. Warner recalled that on 18 March 2026 Quiddity issued the Notice to Proceed for the Rebuilding Contract to R&B Group, Inc. ("R&B"). He stated that Quiddity attended an onsite early-action meeting on 16 April 2026 with R&B and the District's Operator to discuss the water plant shut-down procedures, scheduling, and mobilization. Mr. Warner stated that the District's Engineer is currently isolating Water Plant No. 1 from the District's water distribution system as is necessary for construction of the Rebuilding Project. R&B is targeting mobilization for the Rebuilding Project for the first week of May 2026, he told the Board.

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 received the \$6,000.00 deposit for the plan review, after which Quiddity completed the plan review and issued Plan Review Letter No. 1 to the County on 17 April 2026. During the review process, he continued, Quiddity was informed by the County that no improvements will be made to Restroom Building No. 1. Instead, he continued, the scope of the project will consist of improvements to the existing Restroom Buildings Nos. 2 and 3. Mr. Warner stated that the County is working to address the minor comments on the plans and will soon resubmit them to Quiddity for full approval. He noted that the County is prepared to commence construction at the site within the next two weeks. Quiddity reminded the County that water and sanitary sewer connections cannot be made until full plan approval is granted, said Mr. Warner.

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 second review of the plans and issued Plan Review Letter No. 2 for the gas station and retail store to be located at 6945 Cypresswood Drive.

Annual Water Plant Inspections. Mr. Warner reported that Quiddity will complete the remaining field inspection work at Water Plant No. 1 now that GST No. 2 at Water Plant No. 2 is fully operational.

America's Water Infrastructure Act ("AWIA") Updates. Mr. Warner reported that Quiddity is finalizing the required updates to 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.

Pavement Repairs. Mr. Warner recalled 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.

Sanitary Sewer Line along Lyons School Road (the "Sewer Line"). Mr. Warner reported that Quiddity reviewed the video of the televised inspection of the Sewer Line with the District's Operator. He stated that Inframark had recommended a grease cut on a portion of the Sewer Line to better assess the issues, to be followed by an additional televised inspection.

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. Will Yale, who presented the Attorney's Report.

Resolution Providing for Public Information Act Policy. Mr. Yale presented for the Board's approval a RESOLUTION PROVIDING FOR PUBLIC INFORMATION ACT POLICY. He explained that Section 552.275 of the Texas Government Code authorizes water districts to establish reasonable monthly and yearly limits on the amount of time that the personnel of a water district is required to spend producing public information for inspection or duplication by a requestor without recovering its cost attributable to the personnel time. Under the Resolution, he explained, all requests for public information submitted by any individual, firm or entity during any twelve-month period during the District's fiscal year shall be limited, as to the time required to respond, to 36 hours total for any given fiscal year. He noted that the Resolution designates Coats Rose as the Public Information Officer for the District. After discussion, upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution, a copy of which is attached hereto and shall be considered to be part of these minutes.

Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program. Mr. Yale submitted to and reviewed with the Board the Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review (the "Review") dated 2 April 2026 as prepared by Arbitrage Compliance Specialists, Inc. ("ACSI") in connection with its review of the District's (1) \$3,080,000 Series 2020 Refunding Bonds; (2) \$2,810,000 Series 2021 Bonds; and (3) \$6,190,000 Series 2024 Bonds. A copy of the Review is attached hereto as an exhibit to these minutes. He noted that the Series 2020 Refunding Bonds and Series 2024 Bonds are subject to arbitrage rebate, for which ACSI will prepare the calculations. With regard to the Series 2021 Bonds, he continued, ACSI determined that a liability is accruing with respect to project fund yield restriction. He explained that as of 31 December 2025, the project fund balance for the Series 2021 Bonds was approximately \$370,326.14. Accordingly, he continued, ACSI highly recommends that the project funds be spent below the minor portion (\$100,000.00) in the near future.

Mr. Yale then reviewed with the Board the Arbitrage Rebate Calculations for the Interim Computation Period (4 January 2024 to 4 January 2026) for the Series 2024 Bonds as prepared by ACSI (the "Interim Report"). A copy of the Interim Report is attached hereto as an exhibit. According to ACSI, said Mr. Yale, as of 24 March 2026 the interim rebatable arbitrage for the Series 2024 Bonds totaled \$99,663.09. He added that there are no filing requirements with the U.S. Internal Revenue Service as of the date of the Interim Report.

OPERATOR'S REPORT

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

Water Plant Operations. Ms. Steadman reported that the billed to pumped ratio for the prior month was 98.7% and that the District has 897 service connections, including

three vacant single-family residences. She noted that surface water received from the North Harris County Regional Water Authority (the "NHCRWA") accounted for 73% of the water distributed to the District's customers during the period ending 12 March 2026.

Utility Operator's Report. Ms. Steadman 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"). Ms. Steadman reviewed with the Board the cover page from the Operator's Report for the Plant dated 1 April 2026, a copy of which is included with the Operator's Report.

Water and Sanitary Sewer Rates for Commercial Customers (the "Commercial Rates"). Ms. Steadman reviewed with the Board the Commercial Rates charged by the five water districts adjacent to the District, as listed in the Operator's Report. She noted that the District's commercial customers were being billed for sanitary sewer service at a rate of \$2.10 per 1,000 gallons of water usage. Ms. Steadman recommended that the Board consider establishing a base rate for the sanitary sewer service for the commercial customers. A discussion then ensued as to whether the commercial customers in the District were paying a fair share of the cost for the security patrols conducted in the District by the Deputy Constables. The Directors deferred further discussion regarding the Commercial Rates to a future meeting of the Board.

Unauthorized Connection to Water Distribution System. Ms. Steadman discussed with the Board the unauthorized connections at the blowoff valve on the water line near the Laserwash Carwash on Cypresswood Drive. She stated that Inframark determined that the water station and dog wash station were not responsible for the unauthorized connections.

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 Ms. Steadman, 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 Vice President recognized Mr. Schuett, who presented the report concerning the District Office (the "Office Report"), a copy of which is attached hereto.

Tree Removal in Walking Park. Mr. Schuett reviewed with the Board a price quote from UTTM Tree Care Inc. to remove a dead pine tree in the Walking Park at a cost of \$15,00.00, plus \$220.00 to grind the stump (collectively, the "Tree Removal"). A copy of the price quote is included with the Office Report.

Fence Repair in Walking Park. Mr. Schuett discussed with the Board the proposed repairs to the perimeter fence at the Walking Park, as outlined in the Office Report (the "Fence Repairs").

Kleinwood Clubhouse / Air Conditioning. Mr. Schuett discussed the need to replace the blower motor on the air conditioning unit at the Clubhouse, at an estimated cost of \$750.00 (the "Blower Replacement").

Kleinwood Clubhouse / Metal Fence. Mr. Schuett recommended the painting of the metal fence around the swimming pool area (the "Fence Painting").

Landscaping at Walking Park. The Directors discussed with Mr. Schuett possible improvements to the landscaping at the Walking Park (the "Landscaping Improvements").

Then, after review, upon a motion duly made and seconded, the Board voted unanimously to (1) accept the Office Report; (2) authorize Mr. Schuett to proceed with the Tree Removal, the Fence Repairs, the Blower Replacement, and the Fence Painting; and (3) authorize Mr. Schuett to solicit proposals for the Landscaping Improvements.

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. Director Fratangelo expressed his desire for \$5,000.00 to be transferred every month from the District's Operating Fund to the District's Capital Improvements Allocation Account (a sub-account in the District's Operating Fund for the purpose of funding certain capital expenditure items). The Directors agreed to consider this matter at the Board's meeting on 28 May 2026.

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 1 April 2026 is attached hereto as an exhibit.

PROPOSALS FOR INSURANCE COVERAGE, CONTINUED

The Directors returned to their earlier discussion regarding the Proposals. After further discussion, upon a motion duly made and seconded, the Board voted unanimously to (1) reject the Proposal from Brown & Brown; and (2) accept the Proposal from Gallagher. A copy of the Proposal from Gallagher as accepted by the Board is attached hereto and shall be considered to be a part of these minutes. Also attached as exhibit is a copy of the Proposal from Brown & Brown. Mr. Yale noted that the insurance policies being provided to the District under the Proposal from Gallagher would be forwarded to the District's Attorney at a later date.

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 23 April 2026
Attachments

1. Electronic correspondence from Rick Fidler;
2. Peace Officer's Report;
3. Detention Facilities Report;
4. Photographs of H-E-B Fence;
5. Letter from Coats Rose to Phillips Edison & Company;
6. Tax Assessor/Collector's Report;
7. ID Theft Prevent Program report;
8. Engineer's Report;
9. Resolution Providing for Public Information Act Policy;
10. Arbitrage Rebate and Project Fund Yield Restriction Compliance Service Program Review;
11. Arbitrage Rebate Calculations for the Interim Computation Period;
12. Operator's Report;
13. District Office Report;
14. Bookkeeper's Report;
15. KJPB draft meeting minutes;
16. Accepted Proposal from Arthur J. Gallagher & Co.; and
17. Rejected Proposal from Brown & Brown Insurance Services, Inc.