

MINUTES
MISSION BEND MUNICIPAL UTILITY DISTRICT NO. 2

November 16, 2021

The Board of Directors (the "Board") of Mission Bend Municipal Utility District No. 2 (the "District") met in regular session, open to the public, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas 77027, outside the boundaries of the District, with supplemental access by teleconference available to the public, on the 16th day of November, 2021, and the roll was called of the members of the Board being present:

Judy Villagomez	President
Mary Bertrand	Vice President
Susan Land Johnson	Assistant Vice President
Marlene Weppler	Secretary
Brenda S. Whitehead	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending in person were Deputy Charles Hill and Deputy Nakeitha Dussette of the Harris County Sheriff's Office ("HCSO"); Jacob Floyd of Langford Engineering, Inc. ("LEI"); Susan Cita of TBG Partners ("TBG"); Vicki Busboom of VLB Bookkeeping Services; Lina Loaiza of Bob Leared Interests ("BLI"); Carlous Smith of Si Environmental, LLC ("Si"); Angie Hartwell of Touchstone District Services ("Touchstone"); Leroy Eaglin, resident of the District; and Christina Miller and Aidé Meza of Allen Boone Humphries Robinson LLP ("ABHR").

Due to the COVID-19 virus epidemic emergency and the high threat level warnings issued by various governments and agencies, the District established a telephone option for members of the public to listen to the meeting and to address the Board. There were no meeting participants on the telephone.

PUBLIC COMMENTS

Director Villagomez offered any members of the public attending the meeting in person or by telephone the opportunity to make public comment. Mr. Eaglin addressed the Board regarding the Magnolia Park Pedestrian Bridge (the "Bridge") replacement project. He stated that he attended the special Board meeting on November 2, 2021, at Magnolia Park to witness the Bridge setting and that he is glad to witness the progress of the project. There being no additional members of the public requesting to make public comment, Director Villagomez moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the October 19, 2021 (regular), November 2, 2021 (special), November 2, 2021 (Greenbelt), and November 8, 2021 (Chelford) meetings. Director Johnson provided a revision to the November 2, 2021, special meeting minutes to reflect the attendance of additional residents of the District. Following review and discussion, Director Whitehead moved to approve the October 19 regular, November 2 special, November 2 Greenbelt, and November 8 Chelford meeting minutes, subject to the inclusion of additional residents of the District that attended the November 2, 2021, special meeting, as discussed. Director Wepler seconded the motion, which passed unanimously, with all directors voting "yea."

SECURITY SERVICES MATTERS

REPORT FROM HCSO

The Board acknowledged receipt of the October security services report from the HCSO, a copy of which is attached. Deputy Hill introduced Deputy Dussette to the Board, reported on preparations for patrolling over the Thanksgiving Holiday, and reviewed recent criminal activity reported in the District. Director Bertrand inquired about additional deputies in the District and Deputy Hill clarified the details of patrolling locations, in accordance with the District's law enforcement contract. The Board discussed the annual holiday decorations and Director Villagomez clarified the location of the decorations. Following discussion, there was no action on this matter.

UPDATE ON APPROVAL OF SIGNS PROHIBITING COMMERCIAL VEHICLES FROM PARKING OVERNIGHT

Deputy Hill reported on the HCSO's internal efforts to obtain approval from Harris County for the installation of signs prohibiting commercial vehicles from parking in Altamira overnight. He also clarified details of the current procedures for tagging and towing commercial vehicles in the District. Following discussion, there was no action on this matter.

ARBITRAGE REBATE REPORTS FOR THE SERIES 2008 AND SERIES 2010 BONDS

The Board reviewed the Interim Excess Earnings Reports (the "Reports"), prepared by Omnicap Group, LLC, for the District's Series 2008 and Series 2010 Bonds. Copies of the Reports are attached. Ms. Miller stated that no arbitrage is owed to the Internal Revenue Service. Following discussion, there was no action on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Busboom presented and reviewed the bookkeeping report, including the investment report, the budget comparison, and the list of checks for the Board's approval. A copy of the bookkeeping report, including the investment report and budget comparison, is attached. Ms. Busboom reported on the utilization of temporary checks in order to facilitate the transfer of District funds from BBVA Compass Bank to Central Bank and stated that Director Bertrand, Director Wepler, and Director Johnson will sign the temporary checks. Ms. Busboom reported on recent transfers from the District's TexPool money market account. Director Bertrand inquired about the status of the District's Depository Pledge Agreement ("DPA") with Central Bank and Ms. Busboom reported that Central Bank has the DPA for final execution. Following review and discussion, Director Bertrand moved to approve the bookkeeping report, the checks presented for payment and the investment report. Director Wepler seconded the motion, which passed unanimously, with all directors voting "yea."

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Loaiza presented and reviewed the monthly tax report, a copy of which is attached, reflecting that 0.1% of the District's 2021 taxes were collected as of the end of October 2021. Ms. Loaiza reported on the status of the District's tax account transition to Allegiance Bank. She stated that completion of the transition is contingent upon the clearing of additional checks that are pending, and a letter signed by the Board authorizing BLI to wire the remaining funds to Allegiance Bank. Ms. Loaiza stated she will present the necessary letter at the next regular Board meeting. Following review and discussion, Director Whitehead moved to approve the tax report and payment of the checks drawn on the District's tax account. Director Wepler seconded the motion, which passed unanimously, with all directors voting "yea."

CHELFORD CITY REGIONAL WASTEWATER TREATMENT PLANT ("CHELFORD") MATTERS

There was no discussion on Chelford matters.

OPERATION OF DISTRICT FACILITIES

Mr. Smith presented and reviewed the operations report from Si, a copy of which is attached, including routine and preventative maintenance and repairs in the District. Mr. Smith reported that water accountability was 99.45% in the previous month. Mr. Smith reported on the current connections in the District, water production and distribution repairs, sanitary sewer maintenance, lift station maintenance, and water well maintenance and repairs during the previous month.

Mr. Smith presented and reviewed a proposal from Si in the amount of \$12,190.00, to pressure wash and repaint 212 fire hydrants throughout the District, as

previously requested by the Board. A copy of Si's proposal is attached to the operations report. Mr. Smith presented and reviewed a proposal from Alsay Water, Inc. ("Alsay") in the amount of \$10,450.00, to remove the water well no. 1 pumping equipment and televise the water well in order to assess the conditions of the water well. A copy of Alsay's proposal is attached to the operator's report.

Mr. Floyd reported on a recent site visit and inspection of the ground storage tank no. 1 at water plant no. 1. Mr. Floyd presented and reviewed photographs from the site visit, reported on sand found at the bottom of ground storage tank no. 1 which is replenished by water well no. 1, and recommended approval of the Alsay proposal, as presented. Director Bertrand inquired if any water capacity will be lost during the time the water well and ground storage tank are offline for televising and cleaning. Mr. Floyd stated that this work is not expected to negatively affect the District's water capacity or supply.

UPDATE ON REPAIR OF WELL MOTOR AT WATER PLANT NO. 2

Mr. Smith updated the Board on the repair of the water well motor at the District's water well no. 2 at water plant no. 2.

HEARING REGARDING TERMINATION OF WATER AND SEWER SERVICE

Mr. Smith presented and reviewed a list of delinquent customers to the Directors and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Mr. Smith reviewed the timeline of the delinquencies, including the date of notice letters, door hangers, and scheduled terminations. Director Villagomez reminded the Board and Mr. Smith of previous annual termination deferments during the holiday season.

Following review and discussion, and based upon the operator's and engineer's recommendations, Director Bertrand moved to: (1) approve the operations report, as presented; (2) approve the proposal from Si in the amount of \$12,190.00, to pressure wash and repaint 212 fire hydrants throughout the District; (3) approve the proposal from Alsay in the amount of \$10,450.00, to remove the water well no. 1 pumping equipment and televise the water well, as presented; and (4) defer termination of delinquent accounts in accordance with the District's Rate Order, to be reviewed at a later date following the holiday season, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Weppler seconded the motion, which passed unanimously, with all directors voting "yea."

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")
MATTERS

Ms. Miller reported on WHCRWA matters including the previously discussed fee increase which will be effective January 1, 2022.

ENGINEERING MATTERS

Mr. Floyd presented and reviewed the engineering report, a copy of which is attached.

UPDATE ON STAND-BY GENERATOR

Mr. Floyd stated there were no updates to the stand-by generator lease agreement with NTS Rentals, LLC.

AUTHORIZE DESIGN OF PERMANENT GENERATORS

Mr. Floyd updated the Board on the status of design of the permanent generators for the District. He stated that design is underway and that plans will be submitted for agency review upon completion of the plans and specifications.

UPDATE ON TOTAL PETROLEUM HYDROCARBON ("TPH") LEVELS AT
DAIRY QUEEN

Mr. Floyd reported on TPH levels at the Dairy Queen restaurant on Bellaire Boulevard. Mr. Floyd stated that Dairy Queen remains in compliance with the District's Amended Rate Order and the Second Amended Order Establishing Rules and Regulations Concerning Residential and Nonresidential Wastes (collectively, the "Amended Orders"). Mr. Floyd added that LEI will continue to monitor Dairy Queen's TPH levels to ensure the levels remain in compliance with the District's Amended Orders. Ms. Miller stated that the item will be removed from the next regular Board meeting's agenda and the action item list.

UPDATE ON MCDONALD'S SITE PLANS

Mr. Floyd reported that the McDonald's restaurant at 6901 State Highway 6 is currently remodeling their store. Mr. Floyd stated that revised plans have been approved by LEI and presented and reviewed a no objection letter to be issued to McDonald's, a copy of which is attached to the engineer's report. He confirmed that no additional capacity is requested for this remodeling project, but that new tap fees will need to be assessed and issued by Si.

UPDATE ON SANITARY SEWER CLEANING AND TELEVISIONING PROJECT

Mr. Floyd reported on a proposed District-wide sanitary sewer cleaning and televising project. He presented and reviewed a phased sanitary sewer rehabilitation project map prepared by LEI and Si, a copy of which is attached to the engineer's report. Mr. Floyd stated that Phase I of the project encompasses approximately 4,641 linear feet of sanitary sewer lines and will cost the District approximately \$23,200.00, to complete. He recommended authorization for LEI to coordinate with Si to proceed with Phase I cleaning and televising, as discussed.

UPDATE ON WATER WELL NO. 1

Mr. Floyd restated his findings from the recent site visit and inspection of the ground storage tank no. 1 at water plant no. 1. The Board reviewed photographs from the site visit and Mr. Floyd restated that there was sand found at the bottom of ground storage tank no. 1.

Following review and discussion, Director Bertrand moved to: (1) approve the engineer's report, as presented; and (2) authorize LEI to coordinate with Si to proceed with Phase I cleaning and televising in an amount of approximately \$23,200.00, as discussed. Director Wepler seconded the motion, which passed unanimously, with all directors voting "yea."

APPROVE EMERGENCY RESPONSE PLAN AND FILING OF CERTIFICATION OF SAME WITH THE ENVIRONMENTAL PROTECTION AGENCY ("EPA")

Ms. Miller reported on certain certification obligations that the District must meet under the America's Water Infrastructure Act of 2018 (the "Act"). She stated that, pursuant to the Act, the District must certify to the EPA that its community water system has completed an Emergency Response Plan (the "Plan"). Mr. Floyd discussed the District's Plan and stated it will be filed prior to the EPA's deadline of December 31, 2021. Following discussion, the Board concurred unanimously to defer action on this item.

BOND APPLICATION NO. 10, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") FOR APPROVAL OF PROJECT AND BONDS

Mr. Floyd updated the Board on preparation of bond application no. 10. Mr. Floyd stated that the previously approved application is being finalized following receipt of the financial advisor's comments. Ms. Miller updated the Board on the anticipated timeline for submission to the TCEQ ahead of the District's next regular Board meeting. Following discussion, no action was taken on this agenda item.

PARK AND RECREATIONAL FACILITY MATTERS

Ms. Cita presented a report regarding the District's parks and recreational facilities, a copy of which is attached.

MAGNOLIA PARK MAINTENANCE

Ms. Cita reported on pressure washing at Altamira. She stated there are no new invoices for approval this month.

Ms. Cita reported on Altamira subdivision entrance enhancements at Via Del Norte. She stated that following review of the plat and the existing easements, as provided by LEI, it was discovered that there is no reserve for installation of an electric meter, an irrigation meter, or the necessary equipment outside of the public right-of-way. Ms. Cita stated that due to the limited green space between the sign wall and the resident's driveway, the existing tree on the residential lot would need to be removed to install the channel and backflow preventer behind the sign wall. She stated that removal of the tree is not recommended by TBG. Ms. Cita stated that the schematic design for landscape improvements including planting and a sidewalk panel from the residential lot sidewalk to the edge of the commercial driveway has been prepared and transmitted to Director Villagomez for review and is attached to the parks and recreational facilities report. She presented and reviewed estimate no. 1425 from Custom Scapes in the amount of \$2,110.00, for landscape grading, backfill, planting, and hand watering, as presented in the schematic design. She also presented and reviewed a proposal from D.L. Meacham, LP ("D.L. Meacham") in the amount of \$1,600.00, for the addition of a sidewalk ramp panel from the residential lot sidewalk to the edge of the commercial driveway, as discussed. Ms. Cita stated that Express Electrical Services ("Express Electrical") has been asked to provide solar panel options for electricity to power holiday decorations, if possible. Ms. Cita asked Director Villagomez to provide TBG with the contact information for the holiday decorations representative in order to obtain additional information for Express Electrical. Ms. Cita inquired if the existing telephone box near the sidewalk addition can be straightened. Mr. Smith reported that Si is in communications with CenterPoint Energy in order to coordinate the removal of the utility pole since it was previously installed through the sanitary sewer main line.

Ms. Cita reported on the Mission Bell Drive and Estrada Drive subdivision entrances. She stated that the landscaping has been completed by Custom Scapes and that TBG will continue to monitor the plantings throughout the winter season.

Ms. Cita updated the Board on lighting maintenance and repairs by Express Electrical. She stated that Express Electrical has performed diagnostics on the stadium lights and completed the repair and replacement of the necessary conduit wires, as needed. She stated that no new invoices have been presented for approval this month. The Board discussed the conduit wire break and determined that it was accidentally caused by Custom Scapes during the recent replanting project at Magnolia Park. Ms. Cita stated that Custom Scapes will be asked to notify the District's consultants ahead of digging for future capital projects to avoid another conduit wire break.

Ms. Cita updated the Board on the Magnolia Park Planting Replacement project. She stated that the project has been completed.

Ms. Cita reported on the general landscape maintenance invoices for Magnolia Park from Custom Scapes that have been authorized for payment by the Board. She presented and reviewed invoice no. 2501 for monthly District landscape maintenance in the amount of \$7,023.75, invoice no. 2500 for monthly maintenance and mowing of Reserve E in Terra Del Sol, Section 7 in the amount of \$600.00, invoice no. 2499 for facility mowing in the amount of \$434.00, and invoice no. 2497 for the irrigation adjustments and replanting at Bellaire Boulevard in the amount of \$13,925.00, copies of which are attached to the parks and recreational facilities report.

Ms. Cita presented and reviewed estimate no. 1426 from Custom Scapes in the amount of \$286.00, to replace a battery-operated controller at a Bellaire Boulevard median.

PEDESTRIAN BRIDGE PROJECT

Mr. Floyd reported on the Bridge replacement project. Mr. Floyd stated that the Bridge decking has been poured and the aluminum panels should be installed shortly along with the drainage culverts. He presented and recommended for approval Pay Application No. 3 from D.L. Meacham in the amount of \$79,200.37, which represents work completed through August 31, 2021, and includes a 10% retainage in the amount of \$15,476.07. He also presented and recommended for approval Pay Application No. 4 from D.L. Meacham in the amount of \$1,912.50, which represents work completed through September 30, 2021, and includes a 10% retainage in the amount of \$15,688.57. Mr. Floyd presented and recommended for approval invoice no. 092132C from Aviles Engineering Corporation ("Aviles") in the amount of \$551.35, for construction materials testing completed through September 30, 2021, and does not include the additional testing that was approved separately from the original project contract.

Director Villagomez inquired about details of the invoice, including the documented travel times by Aviles. Mr. Floyd clarified that travel time to and from the site is included in the Aviles project contract. Director Villagomez commended Director Bertrand, Mr. Floyd, and Ms. Cita for their continued efforts to complete the Bridge replacement project. Director Weppler stated that she has witnessed the construction work in progress at the Bridge replacement project site. Director Villagomez requested that the Board consider naming the Bridge after Director Bertrand, as a token of appreciation on behalf of the District, for her efforts to advance the finalization of the Bridge. The Board discussed naming options and directed Ms. Cita to present plaque options at the next regular Board meeting for review and consideration. Ms. Cita requested that the Board consider holding a special meeting for a ribbon cutting ceremony in the Spring of 2022, following final completion of the Bridge replacement project. The Board discussed the ribbon cutting ceremony and Mr. Floyd stated he will obtain an updated completion timeline from D.L. Meacham for the Board's reference. Ms. Cita discussed ongoing construction coordination between TBG and LEI.

Following review and discussion, and based upon the engineer's recommendation, Director Bertrand moved to: (1) approve Pay Application No. 3 in the amount of \$79,200.37, from D.L. Meacham; (2) approve Pay Application No. 4 in the amount of \$1,912.50, from D.L. Meacham; and (3) approve invoice no. 092132C in the amount of \$551.35, from Aviles. Director Weppler seconded the motion, which passed unanimously, with all directors voting "yea."

MISSION BEND GREENBELT TRAIL IMPROVEMENTS PROJECT (THE "TRAIL")

Ms. Cita reported on the Trail project. Ms. Cita stated that ongoing work includes the installation of the bridge plaza, concrete trail curb grading, installation of the trellis, irrigation, and wildflower bed preparations. She presented and recommended for approval Pay Application No. 8 from D.L. Meacham in the amount of \$45,095.67. She also presented and recommended for approval Change Order No. 2 to the contract with D.L. Meacham for the deduction of certain irrigation work following receipt of comments from the Harris County Flood Control District ("HCFCD") and to decrease the contract in the amount of \$59,145.00. The Board discussed the hand watering of the wildflower beds for one year in lieu of irrigation, per HCFCD comments, in order to establish the wildflowers. Ms. Cita stated the curb installation will be completed by the end of November 2021 and reported on the status of completion of the sidewalks, which is pending delivery of the backordered bricks.

Ms. Cita reported that Fencecrete America, Inc. has completed the refinishing and repainting of the metal fencing along the Trail to remedy the flaking of paint and that the project is complete.

LITTLE VILLA WETLAND PARK IMPROVEMENTS

Ms. Cita reported on the commercial screening landscape and irrigation project at Little Villa Wetland Park. She stated that design documents are on hold, pending Board approval.

Ms. Cita updated the Board on the irrigation system maintenance review and irrigation controller issues. She stated that there are no new updates.

Ms. Cita reported on the general landscape maintenance invoice for Little Villa Wetland Park from Custom Scapes that has been authorized for payment by the Board. She presented and reviewed invoice no. 2498 for monthly maintenance at Little Villa Wetland Park in the amount of \$3,320.00.

Ms. Cita stated that no additional maintenance estimates or invoices have been submitted for Little Villa Wetland Park.

Following review and discussion, and based upon the landscape architect's recommendation, Director Bertrand moved to: (1) approve the parks and recreational facilities report, as presented; (2) approve estimate no. 1425 from Custom Scapes in the amount of \$2,110.00, for landscape grading, backfill, planting, and hand watering at the Via Del Norte entrance; (3) approve the proposal from D.L. Meacham in the amount of \$1,600.00, for the addition of a sidewalk ramp panel from the residential lot sidewalk to the edge of the commercial driveway at the Via Del Norte entrance; (4) approve the general landscape, maintenance, and repair invoices for Magnolia Park by Custom Scapes that were authorized for payment by the Board, as presented; (5) approve invoice no. 2497 from Custom Scapes in the amount of \$13,925.00, for the irrigation adjustments and replanting at Bellaire Boulevard; (6) approve estimate no. 1426 from Custom Scapes in the amount of \$286.00, to replace a battery-operated controller at a Bellaire Boulevard median; (7) approve Pay Application No. 8 in the amount of \$45,095.67, from D.L. Meacham for the Trail improvements project; (8) approve Change Order No. 2 in the amount of \$59,145.00, as a decrease to the Trail improvements project contract with D.L. Meacham, based upon the landscape architect's recommendation and the Board's finding that Change Order No. 2 is beneficial to the District; and (9) approve the general landscape, maintenance, and repair invoice for Little Villa Wetland Park by Custom Scapes that was authorized for payment by the Board, as presented. Director Weppler seconded the motion, which passed unanimously, with all directors voting "yea."

DISTRICT TECHNOLOGY MATTERS

UPDATE ON THE DISTRICT'S WEBSITE

Ms. Hartwell presented and reviewed a website communications report for the previous month, a copy of which is attached. She reported on news posts, website statistics, resident inquiries, open items, and action items from the previous month. Ms. Hartwell recommended the Board approve a separate Parks page on the District's website to showcase the parks. The Board discussed uploading photographs of Magnolia Park and Little Villa Wetland Park to the District's website on an ongoing basis.

REVIEW EMERGENCY MESSAGING SYSTEM PROPOSAL FROM TOUCHSTONE DISTRICT SERVICES

Ms. Hartwell presented and reviewed a proposal from Touchstone in the one-time set up amount of \$600.00, plus \$180.00, per month on an ongoing basis, for emergency messaging services, a copy of which is attached. She stated that the service utilizes an alert system created and developed by Touchstone, rather than a third-party company, called inTEN Plus+ which can target specific recipients of the messages. Ms. Hartwell provided examples of emergency scenarios for which text and/or email notifications can be transmitted and stated that the residents that are currently enrolled in the OffCinco emergency messaging system can be transferred over to the Touchstone database for a seamless transition, with the option to opt out of receiving messages at any time. She stated that the Communications Committee is able to decide what type of alerts can be sent to the District's residents.

TERMINATE EXISTING EMERGENCY MESSAGING SYSTEM CONTRACT WITH OFF CINCO

The Board reviewed its current Service Agreement with Off Cinco for emergency messaging services. The Board considered terminating the Service Agreement via Certified Mail letter from the District, in accordance with Section 3.0.3 of the Service Agreement, with an effective date of December 17, 2021.

UPDATE ON WEBSITE ROLLOUT AND ADVERTISEMENT OF WEBSITE

Director Bertrand updated the Board on the website announcement yard signs to be placed throughout the District and discussed the future locations for the signs.

Following review and discussion, Director Bertrand moved to: (1) authorize Touchstone to create separate Parks page to showcase the parks on the District's website; (2) authorize the proposal from Touchstone in the one-time set up amount of

\$600.00, plus \$180.00, per month on an ongoing basis, for emergency messaging services; and (3) authorize termination of the current Service Agreement with Off Cinco for emergency messaging services, as discussed. Director Weppler seconded the motion, which passed unanimously, with all directors voting "yea."

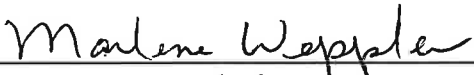
BOARD PERFORMANCE REVIEW OF CONSULTANT CONTRACTS

There was no further discussion on consultant contract matters.

MEETING SCHEDULE AND PLANNING MATTERS

The Board discussed the next regular Board meeting on December 14, 2021, at 6:00 p.m. at ABHR with supplemental access via teleconference for consultants and members of the public.

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


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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