

MINUTES  
MISSION BEND MUNICIPAL UTILITY DISTRICT NO. 2

March 21, 2023

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, on the 21<sup>st</sup> day of March, 2023, 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 Wepler	Secretary
Leroy Eaglin	Assistant Secretary

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

Also present at the meeting were Deputy Charles Hill and Deputy Nakeitha Dussette of the Harris County Sheriff's Office ("HCSO"); Daniela Moderow of AEI Engineering, LLC ("AEI"); Susan Cita of TBG Partners ("TBG"); Vicki Busboom of VLB Bookkeeping Services; Lina Loaiza of Bob Leared Interests; Linda Hubble of Public Finance Group, LLC; Carlous Smith of Si Environmental, LLC ("Si"); Emmanuel Vazquez of Vazquez Electronics, LLC ("Vazquez Electronics"); Hermes Amaya of Custom Scapes & Designs, Inc. ("Custom Scapes"); Tommy Gomez of Houston Electrical Contractors, LLC ("Houston Electrical"); and Christina Miller and Carnell Emanuel of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director Villagomez offered any members of the public attending the meeting the opportunity to make a public comment. There being no requests for public comment, Director Villagomez moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the February 21, 2023 (Regular), March 7, 2023 (Greenbelt), and March 13, 2023 (Chelford) meetings. Ms. Miller confirmed there was no Board quorum at the March 7, 2023 (Greenbelt) meeting or the March 13, 2023 (Chelford) meeting. Following review and discussion, Director Bertrand moved to approve the February 21, 2023 (Regular) minutes, as presented. Director Eaglin seconded the motion, which passed unanimously, with all directors voting "yea."

## SECURITY SERVICES MATTERS

### REPORT FROM HCSO

The Board reviewed and acknowledged receipt of the February 2023 security services report from the HCSO, a copy of which is attached. Deputy Hill reported on recent criminal activity, including an update on the sightings of homeless individuals and a homeless encampment located behind an AutoZone retailer along Bellaire Boulevard at Pavilion Drive. He stated that a fence has been erected at the abandoned building in the area in order to mitigate congregation issues and that the group has dissipated. Deputy Hill reported that clean-up efforts in the area are underway. He reported on an arson incident in the District during the previous month.

### UPDATE ON INSTALLATION OF SIGNS PROHIBITING COMMERCIAL VEHICLES FROM PARKING OVERNIGHT

Deputy Hill reported on the continued coordination with Harris County (the "County") to install signs prohibiting commercial vehicles from parking in the District overnight. He updated the Board on the local business owner who has submitted a formal complaint to the County for additional signs and stated that photographs have been submitted as well. Deputy Hill updated the Board on efforts to enforce towing along Via Del Norte Drive and Mission Bell Drive.

Following review and discussion, the Board concurred unanimously to accept the security report, as presented.

## PARK AND RECREATIONAL FACILITY MATTERS

Ms. Cita presented and reviewed 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 within the District. She stated there are no new power washing items to report at this time.

Ms. Cita discussed lighting maintenance and repairs at Magnolia Park and Little Villa Wetland Park ("LVWP"). She stated that Director Bertrand has conducted a walkthrough of the project with Mr. Gomez. Director Bertrand reported on the status of the solar-powered lights.

Ms. Cita updated the Board on the Phase III improvements project. Ms. Cita reported that TBG is performing information discovery, including a field survey review and site analysis. Ms. Moderow reported that AEI has received

the survey file for Magnolia Park and that the file is currently under review by TBG for design work.

Ms. Cita reviewed a quote from Hoggatt, L.P. ("Hoggatt") in the amount of \$1,950.00, for the removal and disposal of a broken piece of playground equipment at Magnolia Park. She recommended the Board approve the quote from Hoggatt due to the cost effectiveness of the scope of work. The Board discussed the possibility of Custom Scapes performing the removal and disposal of the broken piece of playground equipment. Mr. Amaya stated that Custom Scapes can perform the quoted work for \$1,000.00. The Board considered approving the quote from Custom Scapes.

Director Johnson inquired about the possibility of repainting the Magnolia Park fence. Ms. Cita stated that TBG is acquiring quotes for the repainting work. Director Villagomez inquired about the possibility of installing a culvert pipe to allow vehicle access of Magnolia Park to Custom Scapes. Ms. Cita stated that a decomposed granite section can be installed and maintained in the area for that purpose. Director Villagomez directed Mr. Amaya to prepare and submit a proposal for the installation and maintenance of a decomposed granite area for vehicle access, as discussed.

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

Ms. Cita updated the Board on the Trail improvements project. Ms. Cita reported that D.L. Meacham, LP ("D.L. Meacham") is currently addressing landscape punchlist items. She reported that the wildflowers along the Trail are beginning to bloom. Ms. Cita presented and recommended for approval Pay Application No. 20 in the amount of \$59,327.90, for the previously approved Partial Retainage Release. She also presented and recommended for approval Pay Application No. 21 in the amount of \$3,013.20, for March 2023 Trail maintenance. Ms. Cita reported on the planted yellow bell stems and stated that the plant is a vine that has been trimmed and is expected to bloom again.

Ms. Cita updated the Board on the west side Trail improvements project. She stated that TBG is performing site analysis and schematic design. Ms. Moderow updated the Board on the poor drainage along the proposed Trail alignment and stated that AEI contacted the Harris County Flood Control District ("HCFCD") about the failing slope. Ms. Moderow reported that the HCFCD provided a response stating they will not be addressing the issues with the failing slope at this time. She restated that any slope improvements will require future maintenance by the District.

## LVWP IMPROVEMENTS

Ms. Cita updated the Board on the western park boundary fence at LVWP. Ms. Cita stated that the contract with HD Outdoor Designs, LLC in the amount of \$203,750.00, is being prepared.

Ms. Cita updated the Board on the status of an approximate 8-foot Consent to Encroachments and License Agreement (the "Consent to Encroachment") between the District and the International Church of the Foursquare Gospel (the "Church"). Ms. Cita stated that TBG has requested the Church's signature on the Consent to Encroachment, but that the document has not been executed yet. Ms. Miller confirmed that ABHR has transmitted a letter to the Church on behalf of the District.

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 the quote from Custom Scapes in the amount of \$1,000.00, for the removal and disposal of the broken piece of playground equipment at Magnolia Park, as discussed; (3) authorize Custom Scapes to prepare and submit a proposal for the installation and maintenance of a decomposed granite area for vehicle access to Magnolia Park; (4) approve Pay Application No. 20 in the amount of \$59,327.90, for the previously approved Partial Retainage Release, from D.L. Meacham; and (5) approve Pay Application No. 21 in the amount of \$3,013.20, for March 2023 Trail maintenance, from D.L. Meacham. Director Eaglin seconded the motion, which passed unanimously, with all directors voting "yea."

## LIGHTING MAINTENANCE AND REPAIR

Mr. Gomez updated the Board on the installation of solar panel lighting at Magnolia Park and LVWP. He also updated the Board on the status of the District lighting project. Mr. Gomez reported that the District's breaker boxes are in need of repair or replacement due to outdoor wear and tear. Director Bertrand directed TBG and AEI to investigate ownership of the breaker boxes ahead of repair or replacement of the boxes. Ms. Busboom indicated that it appears that the District owns the breaker boxes based on historical billing records. Director Johnson inquired about the status of certain lights along Alief Clodine Road and Mr. Gomez stated that the lights' sensors and photocells were defective and that they have been replaced. Mr. Gomez reported that certain lights at LVWP are being infested with insects and requested the Board consider authorizing Houston Electrical to replace the lights and the conduit lines, as needed. He reported on malfunctioning lights near the Fiesta grocery store and requested the Board consider authorizing Houston Electrical to repair the lights, as needed.

Following review and discussion, the Board concurred unanimously to: (1) direct Houston Electrical to prepare and submit a rate sheet for routine maintenance and repair of District lights; (2) direct Houston Electrical to prepare and submit hourly rates for labor; and (3) direct Houston Electrical to prepare and submit proposals for the requested repairs for Board review and consideration at the next regular Board meeting, as discussed.

#### DISCUSS PARK SURVEILLANCE CAMERA OPTIONS

Mr. Vazquez updated the Board on the implementation of a monitored surveillance camera system at Magnolia Park and LVWP as well as ongoing monthly monitoring by Vazquez Electronics. He presented and reviewed a surveillance camera system report, a copy of which is attached. Mr. Vazquez reported on the increased activity of homeless individuals at LVWP. Mr. Vazquez reported on a severed internet service cable at Magnolia Park and expressed his belief that the cable was accidentally cut by a landscape maintenance worker. He stated that the issue has been addressed with Custom Scapes and that the cable has been replaced by Comcast Corporation. The Board discussed the reported activity at Magnolia Park and LVWP. Following review and discussion, the Board concurred unanimously to accept the surveillance camera system report, as presented.

#### 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 recent interest earnings in the District's money market accounts. She recommended that the District's budget be amended in June 2023 to reflect interest increase adjustments. Following review and discussion, Director Bertrand moved to approve the bookkeeping report, the checks presented for payment and the investment report, as presented. 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 94.6% of the District's 2022 taxes were collected as of the end of February 2023. Ms. Loaiza reviewed the bills presented for payment including overpayment refunds and adjustments from the previous month. Following review and discussion, Director Bertrand moved to approve the tax report and payment of the checks drawn on the District's tax account, as presented. Director Wepler seconded the motion, which passed unanimously, with all directors voting "yea."

## RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed an analysis of the District's current tax exemptions and additional projections for granting exemptions from ad valorem taxation at \$50,000, \$60,000, and \$65,000, of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older and a general homestead exemption of 20% of the appraised value (but not less than \$5,000) of residence homesteads, a copy of which is attached. The Board discussed the projected tax exemptions and the effect of granting such exemptions for the 2023 tax year.

The Board considered adopting a Resolution Concerning Exemptions from Taxation (the "Exemptions Resolution"), which provides for the exemption from ad valorem taxation of \$65,000, of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older and a general homestead exemption of 20% of the appraised value (but not less than \$5,000) of residence homesteads.

Following review and discussion, Director Bertrand moved to adopt the Exemptions Resolution, as discussed, and direct that it be filed appropriately and retained in the District's official records. Director Johnson seconded the motion, which passed unanimously, with all directors voting "yea."

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

There were no updates regarding Chelford matters.

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

There were no updates regarding WHCRWA 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 101.19% in the previous month. Mr. Smith reported on the current connections in the District, water production and distribution repairs, tap line repairs, sanitary sewer maintenance, lift station maintenance, fire hydrant maintenance, water meter replacements, and water well maintenance and repairs during the previous month.

## 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 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.

Following review and discussion, and based upon the operator's recommendation, Director Wepler moved to: (1) approve the operations report, as presented; and (2) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Bertrand seconded the motion, which passed unanimously, with all directors voting "yea."

## ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Miller reported that the District is required to review the District's Drought Contingency Plan annually. Mr. Smith confirmed that no changes are recommended at this time. Following discussion, there was no action on this matter.

## CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES AND ANNUAL FILING

Ms. Miller presented and reviewed the critical load spreadsheet, which had been provided to the District's engineer, operator, and bookkeeper for review. She stated the critical load information on the District's facilities is required to be reviewed at least annually and submitted to the Public Utility Commission, the District's electricity provider, and other governmental entities, whether or not there are any changes. The District's engineer, operator, and bookkeeper confirmed there are no changes to the critical load spreadsheet at this time. Following review and discussion, Director Bertrand moved to authorize ABHR to file the critical load spreadsheet and direct that it be filed appropriately and retained in the District's official records. Director Eaglin seconded the motion, which passed unanimously, with all directors voting "yea."

## EMERGENCY PREPAREDNESS PLAN AND FILING OF UPDATES

Ms. Miller reported that the District's engineer and operator will review the current Emergency Preparedness Plan. Following discussion, there was no action on this matter.

## ENGINEERING MATTERS

Ms. Moderow presented and reviewed an engineering report from AEI, a copy of which is attached.

### UPDATE ON DESIGN OF PERMANENT GENERATORS

The Board discussed the status of design and construction of the permanent generators for the District. Ms. Moderow reported that all agencies, including the City of Houston have approved plans for the generator project at Water Plant No. 1 and Water Plant No. 2. She restated that Langford Engineering, Inc. ("LEI") will be advertising and bidding the project, as previously discussed. Ms. Moderow stated that bids are tentatively scheduled to be presented at the May 2023 regular Board meeting and that AEI has received a bid schedule from LEI.

### UPDATE ON SANITARY SEWER CLEANING AND TELEVISIONING PROJECT

The Board discussed the District-wide sanitary sewer cleaning and televising project. Ms. Moderow reported that Kleen Environmental, LLC ("Kleen Environmental") has completed the remaining televising work and that AEI has reviewed the televising videos. She then presented and reviewed the Summary of Recommended Repairs, including photographs, which are attached to the engineer's report.

Ms. Moderow recommended televising the next 4 sections, including Phase IV, V, VI & VII for higher cost effectiveness of the recommended repairs. The Board considered authorizing AEI to solicit bids for Phases IV, V, VI & VII of the sanitary sewer cleaning and televising project. Ms. Moderow presented and recommended for approval a Certificate of Acceptance for the sanitary sewer cleaning and televising project to Kleen Environmental.

### UPDATE ON RECOATING OF GROUND STORAGE TANK ("GST") NO. 1 AND NO. 2 AT WATER PLANT NO. 2

The Board discussed the recoating project to serve GST no. 1 and GST no. 2 at water plant no. 2. Ms. Moderow reported that the interior coating of GST No. 1 has been completed. She reported that the contractor is currently working on the exterior of GST No. 1. She stated that no pay estimates have been submitted at this time.

### PHOSPHATE ADDITION AT WATER WELL NO. 1 AT WATER PLANT NO. 1

Ms. Moderow updated the Board on the preparation of a preliminary engineering report for the addition of phosphate at water well no. 1. She stated



that AEI recommends installing a 275-gallon double-wall phosphate tank in the control building. Ms. Moderow stated that the preliminary engineering report was completed and submitted to the Texas Commission on Environmental Quality (“TCEQ”) for review and approval on March 16, 2023, and confirmed that the TCEQ review timeline is typically 60 days.

#### REQUESTS FOR SERVICE OR UTILITY COMMITMENT LETTERS

Ms. Moderow updated the Board on the request to review plans for a new development at Star Pipe Productions located at 4018 Westhollow Parkway. She stated that the District has received a deposit as well as the plans from the developer and that AEI is reviewing the plans.

Ms. Moderow updated the Board on the request for a capacity commitment letter from a commercial tenant in the Sugarwell Plaza development at 14248 Bellaire Boulevard in the District. She stated that AEI has not received a deposit or the plumbing plans for the interior build-out.

Ms. Moderow updated the Board on the request for a capacity commitment letter from El Bolillo Bakery at 6766 Highway 6 South and Bellaire Boulevard. She stated that AEI has completed the plan review and the developer has addressed all comments. Ms. Moderow reported that AEI has issued a Letter of No Objection to El Bolillo Bakery, a copy of which is attached to the engineer’s report.

Ms. Moderow reported on a new request for a capacity commitment letter from a Buddhist congregation temple located at 6709 Howell Sugar Land Road outside of the boundaries of the District. She stated that the developer has provided a copy of the proposed plans and the deposit for a feasibility study. Ms. Moderow requested the Board consider authorizing AEI to conduct a feasibility study to determine if the District has sufficient capacity to serve the tract of land for the proposed temple, subject to the extension of utilities. The Board discussed the location of the tract of land and the location of the proposed connection into the District’s facilities. The Board directed AEI and ABHR to review the current out-of-District Water Supply and Sewage Supply Capacity Agreement (the “Agreement”) for the property and determine whether a new Agreement is needed.

Ms. Moderow reported on a County sidewalk project along Bellaire Boulevard which is scheduled to begin in May 2023. She stated that approximately five fire hydrants will need to be relocated during the scope of the sidewalk project. Ms. Moderow confirmed that AEI will coordinate with the County and Si on the fire hydrant relocation project.

Following review and discussion, and based upon the engineer's recommendation, Director Bertrand moved to: (1) authorize AEI to solicit bids for Phases IV, V, VI & VII of the sanitary sewer cleaning and televising project; (2) approve the Certificate of Acceptance for the sanitary sewer cleaning and televising project to Kleen Environmental; (3) authorize AEI to conduct a feasibility study to determine if the District has sufficient capacity to serve the tract of land for the proposed Buddhist congregation temple at 6709 Howell Sugar Land Road, subject to the extension of utilities and review of the current Agreement for the property; and (4) approve the engineer's report, as presented. Director Eaglin seconded the motion, which passed unanimously, with all directors voting "yea."

#### UPDATE ON BOND APPLICATION NO. 11, INCLUDING ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board discussed bond application no. 11. Ms. Moderow restated that AEI submitted the bond application report to the TCEQ on January 25, 2023, and that a Declared Administratively Complete letter was issued on January 26, 2023. Ms. Hubble reviewed an estimated timeline for the proposed bond sale and closing.

Ms. Miller presented and reviewed a resolution expressing intent to reimburse the District's operating account for funds expended related to the design and construction of the Water Plant No. 2 GST Recoating and Gate Valve Replacement project. The Board considered adopting the Resolution Expressing Intent to Reimburse the Operating Account (the "Reimbursement Resolution"), subject to finalization.

Following review and discussion, and based upon the engineer's recommendation, Director Bertrand moved to adopt the Reimbursement Resolution, subject to finalization, and direct that it be filed appropriately and retained in the District's official records. Director Eaglin seconded the motion, which passed unanimously, with all directors voting "yea."

#### PARK MAINTENANCE MATTERS

Mr. Amaya presented and reviewed a landscape maintenance report from Custom Scapes, a copy of which is attached. Mr. Amaya reported on the general landscape maintenance invoices for Magnolia Park that have been authorized for payment by the Board. He presented and reviewed invoice no. 3158 for monthly District landscape maintenance in the amount of \$8,428.50; invoice no. 3157 for monthly maintenance and mowing of Reserve E in Terra Del Sol, Section 7 in the amount of \$720.00; and invoice no. 3156 for facility mowing in the amount of \$520.80, copies of which are attached to the landscape maintenance report. Mr. Amaya reported on the general landscape maintenance invoice for LVWP that has been authorized for payment by the Board. He presented and reviewed invoice no. 3159 for monthly maintenance at LVWP in the amount of \$3,984.00.

Mr. Amaya reported on an invoice in the amount of \$576.00, for Alief Clodine Road right-of-way maintenance; an invoice in the amount of \$420.00, for Bellaire Boulevard at Alief Clodine Road maintenance; an invoice in the amount of \$1,120.00, for tree trimming; and an invoice in the amount of \$4,260.00, for the replacement of metal backflow preventor cages.

Mr. Amaya presented and recommended for approval estimate no. 1562 in the amount of \$10,370.00, for repairs and maintenance at the Tres Lagunas Drive median; estimate no. 1576 in the amount of \$4,890.00, for installation of play surface mulch at Magnolia Park; estimate no. 1577 in the amount of \$3,575.00, for painting of twenty-six small light poles and five camera poles at LVWP; estimate no. 1578 in the amount of \$5,000.00, for painting of twenty-eight small light poles and five camera poles at Magnolia Park; estimate no. 1579 in the amount of \$480.00, for the replacement of a valve along the irrigation system at Magnolia Park; and estimate no. 1580 in the amount of \$1,840.00, for the replacement of forty-two Azalea plants and ten Blue Plumbago plants at Magnolia Park.

Following review and discussion, and based upon the landscape architect's recommendation, Director Bertrand moved to approve the park maintenance invoices and estimates, as presented. Director Weppler seconded the motion, which passed unanimously, with all directors voting "yea."

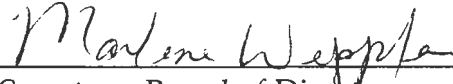
DISTRICT TECHNOLOGY MATTERS

The Board discussed the transition of website hosting and monitoring services as well as emergency alert notifications to Triton Consulting Group, Inc. ("Triton"). Ms. Miller stated there were no recent updates from Triton at this time. Following review and discussion, there was no action on this matter.

MEETING SCHEDULE AND PLANNING MATTERS

The Board discussed the next regular meeting date and concurred to hold the next regular Board meeting on Tuesday, April 18, 2023, at 6:00 p.m. at ABHR.

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

  
Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Security services report from the HCSO .....	2
Parks and recreational facilities status report.....	2
Surveillance camera system report.....	5
Bookkeeper’s report, investment report, and budget comparison.....	5
Tax report.....	5
Analysis of projected tax exemptions .....	6
Operations report.....	6
Engineer’s report.....	8
Landscape maintenance report.....	10