

MINUTES
MISSION BEND MUNICIPAL UTILITY DISTRICT NO. 2

August 20, 2024

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 20th day of August 2024, 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, except Director Johnson, thus constituting a quorum.

Also present at the meeting were Deputy Charles Hill of the Harris County Sheriff's Office ("HCSO"); Vicki Busboom of VLB Bookkeeping Services; Daniela Moderow and Miles Fabian of Baxter & Woodman Consulting Engineers, Inc. ("B&W"); Susan Cita of TBG Partners ("TBG"); Hermes Amaya and David Amaya of Custom Scapes & Designs, Inc. ("Custom Scapes"); Lina Loaiza of Bob Leared Interests; Carlous Smith and Michael Thornhill of Si Environmental, LLC ("Si"); Emmanuel Vazquez of Vazquez Electronics, LLC ("Vazquez Electronics"); Tommy Gomez of J3 Electric, LLC ("J3 Electric"); Sarah Wheeler of Triton Consulting Group, Inc. ("Triton"); and Christina Miller, Aidé Meza, and Patrick Coleman 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. Ms. Miller presented a request from Acclaim Energy Advisors ("Acclaim") to attend the next regular Board meeting to discuss a proposed Energy Management Agreement with the Board. Following review and discussion, the Board concurred unanimously to add an item to the next regular Board meeting agenda to discuss the proposed Energy Management Agreement from Acclaim. There being no additional requests for public comment, Director Villagomez moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the July 16, 2024 (Regular), August 6, 2024 (Greenbelt), and August 12, 2024 (Chelford) meetings. Ms. Miller confirmed there was no quorum at the August 6, 2024 (Greenbelt) meeting or the August 12, 2024 (Chelford) meeting, and therefore there were no minutes presented. Following review and discussion, Director Bertrand moved to approve the July 16, 2024 (Regular) meeting minutes, as presented. Director Eaglin seconded the motion, which passed unanimously.

SECURITY SERVICES MATTERS

REPORT FROM HCSO

The Board reviewed and acknowledged receipt of the July 2024 security services report from the HCSO, a copy of which is attached. Deputy Hill reported on recent criminal activity in the District, including a fatal automobile pedestrian accident at State Highway 6 and Bellaire Boulevard. The Board discussed other incidents reported during the previous month and inquired about National Night Out events. Ms. Wheeler reported that the Mission Bend Civic Association has planned a National Night Out event for the community on Tuesday, October 1, 2024. Deputy Hill confirmed that he plans to attend the National Night Out event.

UPDATE ON INSTALLATION OF SIGNS PROHIBITING COMMERCIAL VEHICLES FROM PARKING OVERNIGHT

Deputy Hill reported on the ongoing matter of commercial vehicles parking in the District overnight. Deputy Hill stated that towing enforcement initiatives have continued to be conducted during the previous month and that a boat was towed along Via Del Norte. He stated that the HCSO has continued to seek approval of "No Parking" signs at additional locations within the District.

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

PARK MAINTENANCE MATTERS

Mr. Amaya presented and reviewed a landscape maintenance report from Custom Scapes, a copy of which is attached. The Board reviewed the general landscape maintenance invoices for Magnolia Park which are being presented for payment by the Board, including facility mowing in the amount of \$520.80; maintenance and mowing at Terra Del Sol in the amount of \$1,015.00; monthly maintenance at Little Villa Wetland Park ("LVWP") in the amount of \$3,984.00; monthly maintenance at Magnolia Park in the amount of \$7,432.50; monthly maintenance of the Alief-Clodine Road right-of-way

in the amount of \$576.00; monthly maintenance of the Bellaire Boulevard at Alief-Clodine Road median in the amount of \$420.00; and monthly maintenance of the Mission Bend Greenbelt Trail (the "Trail") in the amount of \$4,392.92. Mr. Amaya reviewed an invoice from Custom Scapes in the amount of \$2,240.00, for water leak repairs along the irrigation systems at Bellaire Boulevard, LVWP, Magnolia Park, and the Tres Lagunas entryway. He then reviewed an invoice from Custom Scapes in the amount of \$23,000.00, for Hurricane Beryl storm debris cleanup in Altamira during the previous month.

Mr. Amaya presented and reviewed estimate no. 1753 from Custom Scapes in the amount of \$6,792.00, for the trimming of broken tree branches at Magnolia Park, LVWP, and along Bellaire Boulevard. A copy of the proposal is attached to the landscape maintenance report. Director Villagomez requested the Board consider authorizing Triton to publish a news article on the District's website spotlighting the District's storm debris cleanup efforts following Hurricane Beryl.

Following review and discussion, Director Bertrand moved to: (1) approve estimate no. 1753 in the amount of \$6,792.00, as presented, and direct that it be filed appropriately and retained in the District's official records; (2) authorize Triton to publish the news article regarding the District's storm debris cleanup efforts, as discussed; and (3) approve the landscape maintenance report, as presented. Director Eaglin seconded the motion, which passed unanimously.

LIGHTING MAINTENANCE AND REPAIR

Mr. Gomez presented and reviewed the routine lighting and maintenance report by J3 Electric for items at LVWP, Magnolia Park, and Altamira, a copy of which is attached. He reported that the steel cages surrounding breaker boxes in the District have been installed as well as the poles for new lights and cameras. Mr. Gomez stated that a couple of solar panels were malfunctioning during the previous month and that a system inspection will soon follow. He confirmed that there are no proposals for review and consideration at this time. Following review and discussion, the Board concurred unanimously to approve the lighting and maintenance report, as presented.

DISTRICT SURVEILLANCE CAMERA MATTERS

Mr. Vazquez presented and reviewed a surveillance camera system report, a copy of which is attached. Mr. Vazquez reported on activity at Magnolia Park and LVWP during the previous month, including sightings of homeless individuals at LVWP and possible illicit drug activity which has been reported to Deputy Hill and the HCSO.

Mr. Vazquez stated that on July 24, 2024, there was a power outage which affected the District's camera equipment and that Vazquez Electronics and J3 Electric

responded to the outage. He reported that certain equipment will require replacement at this time. He presented and reviewed estimate no. S00061 from Vazquez Electronics in the amount of \$2,650.00, for replacement of power to the camera box, adjustment of certain electrical services, and relocation of telecommunication cables at Magnolia Park due to their proximity to existing flower beds, a copy of which is attached to the surveillance camera system report. The Board discussed the location and ownership of the telecommunication cables and considered delegating authority to Director Villagomez to review and approve a proposal from Vazquez Electronics in an amount not to exceed \$1,500.00, for electrical services only.

Mr. Vazquez discussed possible irrigation sensors for Magnolia Park and LVWP. He stated that Vazquez Electronics will prepare a presentation regarding use of the sensors for review and consideration at the next regular Board meeting. Ms. Cita requested a copy of the presentation in order to assess whether the proposed sensors are compatible with the existing irrigation sensors at Magnolia Park and LVWP.

Following review and discussion, Director Bertrand moved to: (1) delegate authority to Director Villagomez for review and approval of a proposal from Vazquez Electronics in an amount not to exceed \$1,500.00, for electrical services, as discussed, and direct that the final proposal be filed appropriately and retained in the District's official records; and (2) approve the surveillance camera system report, as presented. Director Eaglin seconded the motion, which passed unanimously.

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 presented and reviewed a proposed amended budget for the District's fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report. Following review and discussion, Director Bertrand moved to: (1) defer action to amend the budget for the District's fiscal year ending September 30, 2024; and (2) approve the bookkeeping report, the checks presented for payment, and the investment report, as presented. Director Wepler seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

Ms. Busboom presented and reviewed a draft budget for fiscal year end September 30, 2025, a copy of which is attached to the bookkeeper's report. Following review and discussion, the Board concurred unanimously to defer discussion and action on the proposed budget for fiscal year ending September 30, 2025, until the next regular Board meeting.

AMENDMENTS TO CONSULTANT SERVICE AGREEMENTS

The Board discussed amendments to certain consultant Service Agreements, including amendments to reflect hourly rates for meeting attendance by consultants. Ms. Miller reported that an hourly rate schedule exhibit can be added to any current Service Agreement reflecting such rates and that the exhibits can be approved by the Board at their discretion. The Board considered authorizing ABHR to prepare Service Agreement exhibits for Custom Scapes, Vazquez Electronics, and J3 Electric reflecting a flat fee of \$150.00, per consultant, for each Board meeting attended, effective August 20, 2024. Following discussion, the Board concurred unanimously to authorize ABHR to prepare the exhibits, as discussed, for review and consideration at the next regular Board meeting.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Loaiza presented and reviewed the monthly tax report, a copy of which is attached, reflecting that 98.3% of the District's 2023 taxes were collected as of the end of July 2024. 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, including overpayment and value adjustment refunds, as presented. Director Wepler seconded the motion, which passed unanimously.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board discussed the District's 2024 tax rate. Ms. Miller reported that the Harris Central Appraisal District has not finalized the 2024 certified tax rolls necessary for the District's financial advisor to provide a recommendation. The Board discussed future funding of engineering projects in the District's Capital Improvement Plan. Ms. Miller confirmed that the District's financial advisor has indicated that the District may be able to issue a future bond sale in the amount of approximately \$10,000,000, for such projects. Following discussion, the Board concurred unanimously to defer discussion on this agenda item.

CHELFORD CITY REGIONAL WASTEWATER TREATMENT PLANT ("CHELFORD") MATTERS, INCLUDING BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

The Board briefly discussed Chelford meeting matters, including the draft Chelford budget for fiscal year end September 30, 2025, a copy of which is attached. Ms. Miller reported on Capital Improvement Plan matters from the August 12, 2024, meeting. She stated that, as part of the proposed budget discussion, the Chelford engineer has outlined the need for a potential cash call in the amount of approximately \$4,700,000.00, for the 5-Year Capital Improvement Plan, of which the District would be

responsible for approximately \$1,000,000.00. Mr. Fabian expressed his belief that the District's share amount does not take into account additional funds that would be needed should the City of Houston leave the plant prior to these projects commencing. The Board discussed the cash call amount, necessary reconciliation of the 2024 budget, and use of the actual cash position of Chelford's accounts after completion of the current capital projects. Mr. Fabian confirmed that B&W will continue to monitor the District's concerns.

Following review and discussion, Director Eaglin moved to approve the Chelford budget for fiscal year end September 30, 2025, and direct that it be filed appropriately and retained in the District's official records. Director Bertrand seconded the motion, which passed unanimously.

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

The Board discussed WHCRWA matters, including the preliminary engineering work for the chloramine conversion project necessary for the District to receive surface water. Ms. Moderow restated that the preliminary engineering work is underway. She stated that the timeline for surface water delivery is estimated for June 2026 and that B&W continues to coordinate with 5Engineering on the meter location for both water plants. Following discussion, there was no action on this matter.

OPERATION OF DISTRICT FACILITIES

Mr. Smith presented and reviewed the operations report from Si, a copy of which is attached. Mr. Smith reported that water accountability was 97.45% 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 replacement and maintenance, water meter repairs and replacements, and water well maintenance and repairs during the previous month.

Mr. Smith presented and reviewed a report compiled by Si indicating the locations of all surveyed and repaired sanitary manholes. He reviewed a pricing sheet in the amount of \$70,520.00, for the completed manhole repairs throughout the District. A copy of the repair report and pricing sheet is attached.

Director Villagomez inquired about details of a recent valve excavation work order, including the process and timeline for completion of the work. Mr. Smith answered questions from Director Villagomez regarding the work order.

Mr. Thornhill introduced himself to the Board and reported on a necessary Public Notice regarding a water system violation which was reported to the District by the Texas Commission on Environmental Quality ("TCEQ"). He stated that the violation likely occurred due to a testing anomaly reflecting higher than normal levels

of a disinfectant byproduct. Mr. Thornhill explained details of the anomaly and answered questions from the Board. He presented and reviewed the draft Public Notice from Si, which is required to be circulated to all water service customers in the District by the TCEQ, a copy of which is attached. The Board discussed details of the violation and considered authorizing Si to circulate the Public Notice to all water service customers in the next water bill cycle as well as authorizing Triton to publish the notice on the District's website for the benefit of the public.

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.

Following review and discussion, and based upon the operator's recommendation, Director Bertrand moved to: (1) accept the District manhole repair report and pricing sheet from Si, as presented, and direct that it be filed appropriately and retained in the District's official records; (2) authorize Si to circulate the Public Notice to all water service customers, as discussed; (3) authorize Triton to publish the Public Notice on the District's website for the benefit of the public, as discussed; (4) approve the operations report, as presented; and (5) 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 Wepler seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

PERMANENT GENERATOR PROJECT

The Board discussed the status of construction of the permanent generators for the District. Ms. Moderow stated that CenterPoint Energy installed the new gas meter on July 31, 2024, and that the generator start-up and training is anticipated to be scheduled for this week. Ms. Moderow reported that the anticipated delivery date for the generator at water plant no. 1 is September 20, 2024.

Ms. Moderow presented and recommended for approval Pay Estimate No. 5 from Long & Son, Inc. in the amount of \$26,662.50. She confirmed that this amount represents partial payment for modifications within the existing building

at water plant no. 2. Ms. Moderow stated that the work appears to have been completed in conformance with plans and specifications.

SANITARY SEWER CLEANING AND TELEVISIONING PROJECT

The Board discussed the District-wide sanitary sewer cleaning and televising project. Ms. Moderow reported that B&W has categorized the sanitary sewer rehabilitation recommendations into three phases. She reported that the construction cost for Phase I is approximately \$1,087,000.00, and that the construction cost for Phase II is approximately \$757,000.00. Ms. Moderow presented and reviewed a map with B&W's recommendations, a copy of which is attached to the engineer's report. She stated that there will also be a Phase III for the project which will be presented at a later time.

The Board discussed details of the project and directed B&W to monitor the progress of the project in order to begin planning a bond application report to fund capital improvement projects, as discussed.

WATER PLANT NO. 1 GROUND STORAGE TANK ("GST") REHABILITATION

Mr. Fabian discussed the future rehabilitation of the GST at water plant no. 1. He reported that B&W is finalizing the plans and specifications and contract documents for the project. He stated that B&W plans to advertise for bids for the project in September 2024 and present bids at the October 2024 regular Board meeting. Director Eaglin expressed interest in attending the public bid opening at B&W's office.

STORM WATER QUALITY ("SWQ") INSPECTIONS AND PERMITTING FOR TERRA DEL SOL

Mr. Fabian discussed SWQ inspections and permitting at Terra Del Sol. He stated that Harris County (the "County") has approved the SWQ permit transfer to the District; however, the County has requested the SWQ as-built certificate and time and date stamped photos of the SWQ features from the time of installation to bring the permit back in compliance. Mr. Fabian reported that B&W has requested the documents from the engineer of record for Terra Del Sol, Section 7.

REQUESTS FOR SERVICE OR UTILITY COMMITMENT LETTERS

Mr. Fabian updated the Board on the request for a capacity commitment letter for a proposed auto sales business development located at 14606 Presidio Square. He stated that the developer has submitted the required revised plans and the requested agency approvals for the proposed auto sales development,

including a landscaping plan. Mr. Fabian reported that all review comments have been satisfied and that a letter of no objection has been issued to the developer. A copy of the letter of no objection is attached to the engineer's report.

Following review and discussion, and based upon the engineer's recommendation, Director Bertrand moved to: (1) approve Pay Estimate No. 5 in the amount of \$26,662.50, for the permanent generators project to serve the District; and (2) accept the engineer's report, as presented. Director Wepler seconded the motion, which passed unanimously.

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 IMPROVEMENTS

Mr. Fabian confirmed that B&W has received the base file from TBG for the Phase III improvements project and is working on preliminary engineering for the detention and drainage for park improvements as well as the drainage analysis for the site.

Mr. Fabian updated the Board on the permanent access to Magnolia Park project. He stated that B&W is preparing the construction plan set to submit to Harris County Flood Control District ("HCFCD") for review and approval. He confirmed that B&W will solicit bids for the project after HCFCD approval.

Ms. Cita updated the Board on the Phase III improvements project. She stated that schematic design refinement is underway, as previously presented and discussed.

TRAIL IMPROVEMENTS PROJECT

Mr. Fabian updated the Board on the civil engineering plans for the alignment option connecting to the Alief-Clodine Road sidewalk via an easement from Alief Independent School District. He stated that TBG is preparing trail landscaping sheets. Mr. Fabian reported that once the design plans are complete, B&W will submit the plans for approval by the County.

Mr. Fabian presented and reviewed a work order by B&W in the estimated amount of \$18,000.00, for the preparation of construction plans for HCFCD approval for the proposed lighting structures along the Trail, a copy of which is attached to the engineer's report.

Ms. Cita reported on the review of the west side Trail improvements project and construction plans. She stated that TBG has received additional utility documentation from B&W and that the information is being incorporated into the construction plans.

Ms. Cita stated that TBG has solicited three proposals for the fabrication and installation of the previously approved "Coming Soon" sign graphics. She reported that TBG has received two proposals for the signs from Fast Signs in the amount of \$1,280.94, and from GraphTec in the amount of \$2,500.00. Ms. Cita presented and reviewed the proposals, copies of which are attached to the parks and recreational facilities report. She stated that Fast Signs is the lowest bidder for the sign fabrication and installation project and recommended approval of the proposal, as presented.

LVWP IMPROVEMENTS

Ms. Cita stated there are no action items at this time.

PRESSURE WASHING IN THE DISTRICT

Ms. Cita stated there are no action items at this time.

MEDIAN IMPROVEMENTS

Ms. Cita restated that TBG has developed schematic detailing for the Harris County Precinct No. 4 ("HCP4") grant application through the 2024 Places for People Call for Projects for vehicular damage prevention to medians in the District.

Following review and discussion, and based upon the landscape architect's recommendation, Director Weppler moved to: (1) approve the work order by B&W in the estimated amount of \$18,000.00, for the preparation of construction plans for HCFCD approval for the proposed lighting structures along the Trail, as presented; (2) approve the proposal from Fast Signs in the amount of \$1,280.94, for the fabrication and installation of the "Coming Soon" sign graphics at the Trail, as presented; and (3) approve the parks and recreational facilities report, as presented. Director Bertrand seconded the motion, which passed unanimously.

HCP4 MATTERS

PLACES FOR PEOPLE CALL FOR PROJECTS 2023

The Board discussed the award of two grants to the District for the 2023 Places for People Call for Projects by HCP4. Ms. Miller reported that the Interlocal Agreements from HCP4 are being prepared and stated that comments

are being reviewed by HCP4. Following discussion, there was no action on this matter.

PLACES FOR PEOPLE CALL FOR PROJECTS 2024

The Board discussed applications for 2024 grants for the Places for People Call for Projects by HCP4. Ms. Cita confirmed that applications for capital improvement projects, including LVWP Improvements, Magnolia Park Improvements, and District Median Improvements were submitted during the previous month. Following discussion, there was no action on this matter.

INVENTORY AND INTERLOCAL AGREEMENT FOR PUBLIC INFRASTRUCTURE MAINTENANCE

Ms. Cita restated that TBG has compiled an inventory of the District's current irrigation systems and landscaping in HCP4's right-of-way and medians. Following discussion, there was no action on this matter.

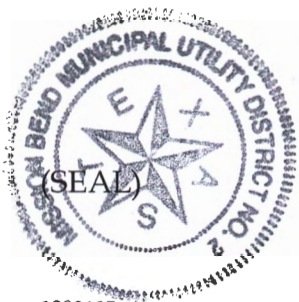
DISTRICT TECHNOLOGY MATTERS

Ms. Wheeler presented and reviewed a communications report from Triton, a copy of which is attached. Ms. Wheeler reported on news posts published during the previous month. She presented and reviewed the Mission Bend Civic Association ("MBCA") newsletter, which was prepared by Triton, a copy of which is attached. The Board considered authorizing ABHR to prepare a notice for the "No Parking" signs petition to be distributed to Altamira residents at the MBCA's National Night Out event. Following discussion, the Board concurred unanimously to: (1) authorize ABHR to prepare the "No Parking" signs petition to be distributed at the MBCA's National Night Out event, as discussed; and (2) accept the communications report from Triton, as presented.

MEETING SCHEDULE AND PLANNING MATTERS

The Board discussed the next regular Board meeting and concurred to hold the next regular meeting on Tuesday, September 17, 2024, at 6:00 p.m. at the offices of ABHR.

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



Marlene Weppeler
Secretary, Board of Directors

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