

JACKRABBIT ROAD PUBLIC UTILITY DISTRICT
Minutes of Board of Directors Meeting
January 9, 2024

The Board of Directors (the "Board") of Jackrabbit Road Public Utility District (the "District") met in regular session, open to the public on January 9, 2024, at 16720 Pine Forest Lane, Houston, Texas, in accordance with the duly posted notice of public meeting, and the roll was called of the duly constituted officers and members of said Board, as follows:

Charles L. Falknor, President
Ross L. Bell, Vice-President
Michael Goings, Secretary
James Horn, Assistant Secretary
Gary Streit, Assistant Secretary

all of whom participated in the meeting, thus constituting a quorum.

Also attending the meeting were: Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Emma Highberger of Wheeler & Associates, Inc. ("Wheeler"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); Erik Miller of Sander Engineering Corporation ("SEC"); Eric Worthington from Harris County Municipal Utility District No. 136 ("MUD No. 136"); and Rick Barker of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. There being no comments presented, the Board continued to the next item of business.

MINUTES

As the next order of business, the Board considered approval of the draft minutes of the December 12, 2023, special Board meeting and the December 12, 2023, regular Board meeting. After review and discussion of the draft minutes presented, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried that said minutes be approved as written.

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS INFORMATION DATABASE

Mr. Barker informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database. Mr. Barker recommended that FORVIS, LLP ("FORVIS"), the District's auditor, be authorized to prepare and submit the information. After discussion on the matter, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried

that FORVIS be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Information Database.

RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. Mr. Barker advised that pursuant to the Public Funds Investment Act, the Board is required to review such list at least annually. He presented to and reviewed with the Board the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto (the "Resolution"), together with a comparison of the list submitted and the list previously adopted by the Board, copies of which are attached hereto as **Exhibit A**. Mr. Barker further noted that the broker list presented is a list of institutions with which the District may engage in investment transactions compiled with the input of the District's Investment Officer, but it is ultimately the Board's decision as to where the District's funds are actually placed. After discussion, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried that the Resolution be approved by the Board and the District, and that the President and Secretary be authorized to execute same.

RESOLUTION AUTHORIZING AND ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit B**. Mr. Barker advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent for at least 60 days. After discussion, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried that the attached Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board, and that Cox be authorized to proceed with the collection of the District's 2023 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

INSURANCE PROPOSALS

The Board discussed obtaining insurance proposals for the 2024-2025 term. Mr. Barker advised the Board that the District's current insurance coverages, through McDonald & Wessendorff ("M&W"), are set to expire on March 31, 2024. After discussion on the matter, Director Falknor moved to authorize SPH to solicit a written renewal proposal for the 2024-2025 term on behalf of the District from M&W to be considered at the Board's February meeting. Director Goings seconded the motion, which carried unanimously.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report, dated January 9, 2024, a copy of which is attached hereto as **Exhibit C**. After discussion, it was moved

by Director Goings, seconded by Director Streit and unanimously carried, that the Bookkeeper's Report be approved and payment authorized on the disbursements listed therein.

Ms. Cooper then presented to and reviewed with the Board the Quarterly Investment Report for the reporting period ending October 31, 2023, a copy of which Report is attached to the Bookkeeper's Report. After discussion, it was moved by Director Goings, seconded by Director Streit and unanimously carried, that the Quarterly Investment Report be approved, and that the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

The Board next considered ratification of its prior action relative to the approval of amended operating budgets for the District and the Joint Wastewater Treatment Plant. After discussion, Director Goings moved that the Board's prior action be ratified in all respects. Director Streit seconded the motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Highberger presented to and reviewed with the Board the Tax Assessor-Collector Report dated December 31, 2023, and a Delinquent Collections Listings as of December 31, 2023, copies of which are attached hereto as **Exhibit D**. After discussion on the matter, it was moved by Director Falknor, seconded by Director Streit, and unanimously carried that the Board approve the Tax Assessor-Collector Report.

DELINQUENT TAX REPORT

The Board considered the Delinquent Tax Report received from the District's delinquent tax collections attorney, Ted A. Cox, P.C. ("Cox"), dated January 3, 2024, a copy of which is attached hereto as **Exhibit E**. Mr. Barker noted that there was no action required by the Board at this time with respect to any of the delinquent tax accounts listed in the report.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Barker outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2023, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2024, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, it was moved by Director Bell, seconded by Director Streit, and unanimously carried that the District (a) grant a residential homestead exemption in the amount of twenty percent (20%), but not less than \$5,000, and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2024, and that the Resolution attached hereto as **Exhibit F** relative to same be approved and adopted by the Board and District.

SALES AND USE TAX ADMINISTRATION REPORT

In connection with collection of sales tax revenue funds received by the District pursuant to the Strategic Partnership Agreement with the City of Houston, Mr. Barker presented to and reviewed with the Board the December 2023 Allocation Report prepared by Sales Revenue Inc. ("SRI"), a copy of which is attached hereto as **Exhibit G**, and noted that there is no action required by the Board at this time.

Ms. Highberger exited the meeting at this time.

OPERATOR'S REPORT

Ms. Bonilla-Odums presented to and reviewed with the Board the Operator's Report for the month of November 2023, a copy of which is attached hereto as **Exhibit H**.

Ms. Bonilla-Odums next requested authorization from the Board for Inframark to transfer six (6) delinquent utility accounts, totaling \$676.69, to Collections Unlimited for collections. After discussion on the matter, Director Falknor moved to authorize Inframark to transfer the six accounts as requested. Director Horn seconded said motion, which unanimously carried.

Ms. Bonilla-Odums then presented to and reviewed with the Board a proposal from Turnbuckle Fencing, LLC to repair the gate at the entrance into the Wastewater Treatment Plant in the amount of \$6,613.00, a copy of which proposal is included with the Operator's Report. After discussion, it was moved by Director Falknor, seconded by Director Horn, and unanimously carried that the Board approve Turnbuckle Fencing, LLC's proposal in the amount of \$6,613.00, as discussed. Director Goings seconded the motion, which carried unanimously.

AMENDMENT OF RATE ORDER

Mr. Barker reminded the Board that, at the last meeting, Mr. Miller presented to and reviewed with the Board a water and sanitary sewer rate analysis prepared by SEC and Inframark. A discussion then ensued regarding an amendment to the District's current Rate Order relative to said water and sanitary sewer rate analysis. After discussion, the Board deferred taking any action at this time.

ENGINEER'S REPORT

Mr. Miller presented to and reviewed with the Board a written Engineer's Report prepared by SEC dated January 9, 2024, a copy of which is attached hereto as **Exhibit I**. It was noted that no action was being requested of the Board at this time with respect to items listed in said Report.

Mr. Miller next presented to and reviewed with the Board the bid tabulation for the Clarifier #2 Repairs Project and a Recommendation Letter for C3 Constructors, LLC ("C3") to be awarded the project; copies of the Bid Tabulation Sheet and Recommendation Letter are included in the Engineer's Report. After discussion, it was moved by Director Falknor, seconded by Director Bell, and unanimously carried that the Board award the Clarifier #2 Repairs Project to C3.

UTILITY COMMITMENT

In connection with the utility commitment request by the Shiva Durga Krishna Church (the "Church"), Mr. Miller reminded the Board that the check for the tap-exempt fee in the amount of \$32,108.87 had been received by SEC. He then advised that the revised drawings have not yet been resubmitted. There was no Board action taken on the matter at this time.

Mr. Miller next informed the Board that SEC was recently contacted by an engineer regarding a proposed Chipotle restaurant off of Highway 6 between Royal Mile and Loch Katrine. There was no Board action taken on the matter at this time.

PROPOSED ANNEXATION REQUEST

Mr. Miller reminded the Board that he previously presented to and reviewed with the Board an informal annexation request from developer Eugene Chong requesting the annexation of 16301 Pine Forest Lane, Houston, Texas 77084 into the boundaries of the District to receive water and sanitary sewer services to serve a proposed RV Park. Mr. Miller then informed the Board that he recently received email correspondence from Mr. Chung stating that he would be submitting the required \$15,000 deposit for the preparation of a feasibility study for the proposed project and noted that the deposit had not yet been received.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Mr. Barker reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Mr. Barker presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding administering an independent election or participating in the joint election with Harris County (the "County") if the County offers said services. In connection therewith, Mr. Barker advised that the County has not yet decided whether it will administer a joint election with other entities. He further advised that due to timing, SPH recommends that the District call an independent election, but also authorize SPH to notify the County of the District's intent to participate in the joint Election if the County subsequently decides to offer joint election services. Following discussion, it was moved by Director Goings, seconded by Director Falknor and unanimously carried that SPH be authorized to notify the County of the District's intent to participate in the joint Election if the County offers joint election services.

ACCESSIBLE VOTING SYSTEM

Mr. Barker noted that if the District administers an independent election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Barker noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Goings, seconded by Director Falknor and unanimously carried that SPH be authorized to provide notice of the District's intent not to

provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Barker presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit K** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Bell, Horn and Streit expire in May of this year. In reviewing the Order with the Board, Mr. Barker advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Maranda Lawson as such agent (the "Election Agent"). Mr. Barker further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Barker advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District. After discussion on the matter, Director Goings moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Falknor seconded said motion, which unanimously carried. Mr. Barker advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Mr. Barker advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Goings moved that the judges and clerks for the Election, including early voting clerks, be paid \$25.00 per hour. Director Falknor seconded said motion, which unanimously carried.

Mr. Barker advised that if the County offers joint election services, the District will need to amend and restate the Order at its next meeting to provide for the conduct of the Election by the County, jointly with elections of other political subdivisions, using County election officials, voting equipment, and polling locations.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Barker presented to and reviewed with the Board a memorandum from the WHCRWA regarding its 2024 Appointment Process for its Directors, a copy of which correspondence is attached hereto as **Exhibit L**. In connection therewith, Mr. Barker reported that if the Board so desired, it could nominate a

candidate for a position to serve on the WHCRWA 's Board of Directors for Precinct No. 6, and advised that the Board has the right to nominate (1) one person to the Board of Directors of the WHCRWA "Precinct No. 6" Director position, and if it chooses to exercise its right, it must do so by the adoption of a Resolution. After discussion, Director the Board concurred to decline to participate in the nomination process of the WHCRWA Director.

SECURITY PATROL REPORT

The Board considered the Security Patrol Report. In connection therewith, Director Bell discussed with the Board the recent security related activities in the District.

TEXAS PRIDE DISPOSAL ("TEXAS PRIDE") MONTHLY REPORT

The Board deferred consideration of the Texas Pride Monthly Report as a copy of the report had not been received for this month.

MATTERS FOR PLACEMENT ON FUTURE AGENDAS

The Board next considered matters to be placed on future agendas and noted that there were no additional items other than the items set forth hereinabove.

ADJOURNMENT OF MEETING

There being no further business to come before the Board, it was moved by Director Goings, seconded by Director Bell, and unanimously carried that the meeting be adjourned.




Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions, with lists of qualified brokers
- Exhibit B Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit C Bookkeeper's Report and Quarterly Investment Inventory Report
- Exhibit D Tax Assessor-Collector Report
- Exhibit E Delinquent Tax Report
- Exhibit F Resolution Concerning Exemptions from Taxation
- Exhibit G Sales and Use Tax Administration Report prepared by SRI
- Exhibit H Operator's Report
- Exhibit I Engineer's Report
- Exhibit J Memorandum regarding Joint Elections with Harris County
- Exhibit K Order Calling Directors Election
- Exhibit L Memorandum from the WHCRWA regarding the 2024 Appointment Process for its Directors