

JACKRABBIT ROAD PUBLIC UTILITY DISTRICT
Minutes of Board of Directors Meeting
February 13, 2024

The Board of Directors (the "Board") of Jackrabbit Road Public Utility District (the "District") met in regular session, open to the public on February 13, 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, except Director Bell, thus constituting a quorum.

Also attending the meeting were: Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); Erik Miller of Sander Engineering Corporation ("SEC"); 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 January 9, 2024, regular Board meeting. After review and discussion of the draft minutes presented, it was moved by Director Goings, seconded by Director Horn, and unanimously carried that said minutes be approved as written.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report, dated February 13, 2024, a copy of which is attached hereto as **Exhibit A**. After discussion, it was moved by Director Horn, seconded by Director Streit and unanimously carried, that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burks presented to and reviewed with the Board the Tax Assessor-Collector Report

dated January 31, 2024, and a Delinquent Collections Listings as of January 31, 2024, copies of which are attached hereto as **Exhibit B**. 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.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Mr. Barker reminded the Board that the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Barker reviewed with the Board a worksheet completed by SEC to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year (the "Resolution"). Following discussion, it was moved by Director Goings, seconded by Director Streit, and unanimously carried that the Resolution Concerning Developed District Status for 2024 Tax Year, which is attached hereto as **Exhibit C**, be adopted by the Board and the District.

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 February 8, 2024, a copy of which is attached hereto as **Exhibit D**. 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.

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 February 2024 Allocation Report prepared by Sales Revenue Inc. ("SRI"), a copy of which is attached hereto as **Exhibit E**, and noted that there is no action required by the Board at this time.

OPERATOR'S REPORT

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

Ms. Bonilla-Odums next discussed the delinquent list of water accounts and requested that the Board consider authorizing Inframark to transfer eight delinquent accounts totaling \$1,344.29 to Collections Unlimited ("CU") for collection and to write off one delinquent account in the amount of \$20.03, which accounts are reflected in the attached report. After discussion on the matter, it was moved by Director Falknor, seconded by Director Streit, and unanimously carried that Inframark be authorized to transfer the eight delinquent accounts to CU for collection and write off the one delinquent account, as requested.

Ms. Bonilla-Odums then presented to and reviewed with the Board a proposal from Inframark to repair at a cost of \$34,951.00 or to replace at a cost of \$89,070.00 blower no. 5 at the Wastewater Treatment Plant, a copy of which proposal is included with the Operator's Report. Ms.

Bonilla-Odums noted that Inframark recommends that the blower be repaired. Ms. Bonilla-Odums noted that it was not possible to get multiple proposals for said repair, due to the inclusion of the disassembly required to assess the damage. After discussion, it was moved by Director Falknor, seconded by Director Streit, and unanimously carried that the Board approve Inframark's proposal in the amount of \$34,951.00 for the repair of blower no. 5, as discussed.

Ms. Bonilla-Odums next reported that the District's water production report shows the District's accountability at 94.85%. After discussion, the Board concurred that Inframark be authorized and directed to submit said report to the appropriate entities.

REVIEW OF DROUGHT CONTINGENCY PLAN

Mr. Barker next discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. Mr. Barker requested that the Board consider authorizing SPH, Inframark and SEC to review the DCP and, if necessary, to prepare an updated DCP for the Board's review and approval at a future meeting. After discussion, Director Falknor moved that SPH, Inframark and SEC be authorized to proceed with the review and preparation of an updated DCP, as necessary. Director Goings seconded the motion, which carried unanimously.

REVIEW OF WATER CONSERVATION PLAN

Mr. Barker advised the Board that the District previously adopted a Water Conservation Plan (the "WCP"), and that pursuant to Title 30, Section 288.2 of the Texas Administrative Code, may be required to review and revise its WCP, by May 1, 2024, and every five years thereafter. Mr. Barker requested that the Board consider authorizing SPH, Inframark and SEC to review the WCP and, if necessary, to prepare an updated WCP for the Board's review and approval at a future meeting. After discussion, Director Falknor moved that SPH, Inframark and SEC be authorized to proceed with the review and preparation of an updated WCP, as necessary. Director Goings seconded the motion, which carried unanimously.

AMENDMENT OF RATE ORDER

Mr. Barker reminded the Board that, at a previous 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 on the matter, Director Falknor moved that the District's Rate Order be amended to reflect the water and sanitary sewer rates recommended by SEC and Inframark, subject to said amended Rate Order becoming effective March 1, 2024, and that any and all rate orders heretofore adopted by the Board be revoked. Director Goings seconded the motion, which carried unanimously.

Ms. Burks exited the meeting at this time.

ENGINEER'S REPORT

Mr. Miller presented to and reviewed with the Board a written Engineer's Report prepared by SEC dated February 13, 2024, a copy of which is attached hereto as **Exhibit G**. It was noted that no action was being requested of the Board at this time with respect to items listed in said Report.

ANNUAL REVIEW OF WAGE RATE SCALES

The Board then considered its annual review of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Barker reported that SPH is recommending that the District adopt the revised United States Department of Labor ("DOL") wage rate scales for construction projects for Harris County, as permitted under Section 2258.022 of the Government Code. After discussion, it was moved by Director Goings, seconded by Director Streit, and unanimously carried that the revised DOL wage rate scales for Harris County be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit H** be adopted by the Board.

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 been approved by the City, but that their engineer is waiting for the owner to pay for the permits. 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. Mr. Miller then informed the Board that the plans had been received and noted that SEC and Inframark are in the process of reviewing said plans at this time. 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.

INSURANCE PROPOSALS

The Board considered ratification of its prior action relative to authorizing SPH to solicit a written renewal proposal for the 2024-2025 insurance term from the District's current insurance carrier, McDonald & Wessendorff. After discussion on the matter, Director Falknor moved that the

Board's prior action be ratified in all respects. Director Goings seconded the motion, which carried unanimously.

The Board next reviewed a renewal proposal for the District's insurance coverages expiring March 31, 2024, received from the District's current insurance carrier, McDonald & Wessendorff Insurance ("MW"), a copy of which is attached hereto as **Exhibit I**. After discussion on the matter, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried that the proposal from MW be accepted by the Board and that the President be authorized to execute such proposal on behalf of the Board and the District.

ATTORNEY'S REPORT

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**. Mr. Barker advised that Harris County will not offer joint election services to political subdivisions for the May 4, 2024 election, and therefore, the District will have to hold an independent election. He further discussed the challenges of administrating an independent election.

Mr. Barker next informed the Board that e-mail correspondence was received from a representative of Infinity Services, LLC inquiring if the District would be interested in being provided with a proposal for the establishment of a District website. After discussion, the Board concurred that it is not interested in establishing a District website at this time.

SECURITY PATROL REPORT

The Board considered the Security Patrol Report. In connection therewith, Director Falknor discussed with the Board the recent security related activities in the District, including the various reports and billing submitted by Mr. Silvio.

A discussion then ensued regarding the recent meeting with the Glencairn Homeowner's Association and Ron Silvio, the various service and billing issues the District has experienced, and the possibility of terminating the District's Letter Agreement with Mr. Silvio. In connection therewith, Mr. Barker informed the Board that SPH has prepared a termination letter for its consideration at today's meeting. After discussion, Director Horn moved that the Board (i) approve said termination letter to be effective thirty (30) days from the date thereof (ii) authorize the President to execute same on behalf of the Board and the District and (iii) authorize SPH to send the termination letter to Mr. Silvio. Director Streit seconded the motion, which carried unanimously.

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 Horn, and unanimously carried that the meeting be adjourned.

(SEAL)

Secretary
Board of Directors

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A Bookkeeper's Report
- Exhibit B Tax Assessor-Collector Report
- Exhibit C Resolution Concerning Developed District Status for 2024 Tax Year
- Exhibit D Delinquent Tax Report
- Exhibit E Sales and Use Tax Administration Report prepared by SRI
- Exhibit F Operator's Report
- Exhibit G Engineer's Report
- Exhibit H Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit I MW Insurance Proposal
- Exhibit J Memorandum regarding Independent Elections

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