

JACKRABBIT ROAD PUBLIC UTILITY DISTRICT
Minutes of Board of Directors Meeting
July 11, 2023

The Board of Directors (the "Board") of Jackrabbit Road Public Utility District (the "District") met in regular session, open to the public on July 11, 2023, 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 Horn, thus constituting a quorum.

Also attending the meeting were: Jennifer Hanna of Forvis, LLC ("FORVIS"); Eric Worthington of Harris County Municipal Utility District No. 136 ("MUD No. 136"); Derek Michael of Sales Revenue, Inc. ("SRI"); Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Miranda Burkes of Wheeler & Associates, Inc. ("Wheeler"); Yaneth Castillo 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 offered, 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 June 13, 2023, Board meeting. After review and discussion of the draft minutes presented, it was moved by Director Goings, seconded by Director Bell, and unanimously carried that said minutes be approved as written.

ENGAGEMENT OF AUDITOR

Ms. Hanna reviewed with the Board a proposal and engagement letter from Forvis for preparation of the District's audit for its fiscal year ending July 31, 2023. Mr. Barker reported to the Board that FORVIS has filed a Texas Ethics Commission ("TEC") Form 1295 with the TEC and has provided the District with an original of said form. Ms. Hanna presented a proposal to the Board for the engagement of Forvis to prepare the District and the WWTP audit reports for the fiscal year

ending July 31, 2023, a copy of which is attached as **Exhibit A**. She advised that the fee is \$20,300 for preparing the District audit report, \$5,500 for preparing the WWTP audit report and \$1,000 to cover postage, printing and delivery costs, for a total of \$26,800. After discussion, Director Goings moved that: (i) the engagement letter for preparation of the District's audit reports for fiscal year ending July 31, 2023, from Forvis be accepted, (ii) the President be authorized to execute same on behalf of the Board and the District, (iii) the District accept Forvis' TEC Form 1295 relative to such engagement, and (iv) SPH be authorized to acknowledge the District's receipt of same with the TEC. The motion was seconded by Director Bell and carried by unanimous vote.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report, dated July 11, 2023, a copy of which is attached hereto as **Exhibit B**. After discussion, it was moved by Director Bell, seconded by Director Falknor, and unanimously carried that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein.

ADOPTION OF OPERATING BUDGETS

The Board considered the adoption of the proposed operating budgets for the District and the Joint Wastewater Treatment Plant (the "WWTP") for the fiscal year ending July 31, 2024. After review and discussion regarding the budgets presented, Director Bell moved that the budgets for the District and the WWTP for the fiscal year ending July 31, 2024, be adopted by the Board and the District. Director Falknor seconded said motion, which unanimously carried. Copies of the approved budgets are attached hereto as **Exhibit C**.

Ms. Hanna exited the meeting at this time.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Burkes presented to and reviewed with the Board the Tax Assessor-Collector Report dated June 30, 2023, and a Delinquent Collections Listings as of June 30, 2023. Copies of which are attached hereto as **Exhibit D**. Ms. Burkes next requested the Board's authorization for Wheeler to transfer twenty-seven (27) delinquent tax accounts to the Uncollectible Tax Roll. She noted that the Uncollectible List will be distributed to the Board after the meeting. After discussion on the matter, it was moved by Director Falknor, seconded by Director Goings, and unanimously carried that the Board approve the Tax Assessor-Collector Report, authorize payment of the disbursements identified therein and authorize Wheeler to transfer twenty-seven (27) delinquent tax accounts to the Uncollectible Tax Roll.

DELINQUENT TAX REPORT

The Board considered the Delinquent Tax Report received from the District's delinquent tax collections attorney, Ted A. Cox, P.C, dated July 5, 2023, 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.

SALES AND USE TAX ADMINISTRATION REPORT

In connection with collection of sales tax revenue received by the District pursuant to the Strategic Partnership Agreement with the City of Houston, Mr. Michael presented to the Board the Sales and Use Tax Administration Report for July 2023, as prepared by SRI and responded to questions from the Board regarding same. He noted that there is no action required by the Board at this time. A copy of the report is attached hereto as **Exhibit F**.

Ms. Burkes 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 May 2023, a copy of which is attached hereto as **Exhibit G**.

Ms. Bonilla-Odums next discussed the delinquent list of water accounts and requested that the Board consider authorizing Inframark to transfer six (6) delinquent accounts totaling \$867.82 to Collections Unlimited ("CU") for collection and write off one (1) delinquent account in the amount of \$3.62, which accounts are reflected on the attached report. After discussion on the matter, it was moved by Director Falknor, seconded by Director Bell, and unanimously carried that Inframark be authorized to transfer the six delinquent accounts to CU for collection and write off the one delinquent account.

Ms. Bonilla-Odums next reported that Inframark has identified a residential water meter, that was recently removed due to tampering and noted that the connection has been tampered with further. She is now requesting that the Board authorize the removal of the water meter and tap servicing this residence for an approximate cost of \$1,500. After discussion, it was moved by Director Falknor, seconded by Director Bell, and unanimously carried to authorize Inframark to remove the connection and tap servicing the residence for an appropriate cost of \$1,500.

RATE ORDER AMENDMENT

Mr. Barker presented to and reviewed with the Board a proposed Rate Order amendment which revises Section 2.04(c) of the Rate Order revising the tap fees applicable for Nontaxable Entity connections. After discussion, Director Falknor moved to amend the District Rate Order as presented, and that any and all prior Rate Orders be revoked effective July 11, 2023. A copy of the amended Rate Order is attached hereto as **Exhibit H**. Director Goings seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Miller presented to and reviewed with the Board a written Engineer's Report prepared by SEC dated July 11, 2023, a copy of which is attached hereto as **Exhibit I**.

Mr. Miller then requested: (i) the approval of Pay Application No. 11 in the amount of \$60,300.00 to C3 Constructors ("C3") for work completed on the Wastewater Treatment Plant

("WWTP") Flood Wall System, a copy of Pay Estimate No. 11 is attached to the Engineer's Report. After discussion, it was moved by Director Falknor, seconded by Director Bell, and unanimously carried to approve Pay Application No. 11 to C3 as discussed.

UTILITY COMMITMENT

In connection with the utility commitment request by the Shiva Durga Krishna Church (the "Church"), Mr. Miller discussed the the tax-exempt tap fee requirement applicable to the Church and requested Board authorization for SEC to forward the tax-exempt tap fee letter to the Church. After discussion, it was moved by Director Falknor, seconded by Director Bell, and unanimously carried to authorize SEC to send the tax-exempt tap fee letter to the Church as discussed.

WATER/SANITARY SEWER RATE ANALYSIS

Mr. Miller reported that SEC and Inframark are continuing to work on the preparation of the water/sanitary sewer rate analysis.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. Mr. Barker presented to and reviewed with the Board the Legislative Summary Report regarding the 88th Regular Session of the Texas Legislature dated June 20 2023, prepared by SPH.

RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE AND EXPENSES

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office and Expenses (the "Resolution"). Mr. Barker advised the Board that House Bill 2815, passed by the 88th Texas Legislature, amends Section 49.060 of the Texas Water Code to allow for an increase in director fees of office up to the amount of the per diem set by the Texas Ethics Commission for member of the legislature. Following discussion, Director Goings moved that the Resolution, attached hereto as **Exhibit J**, be approved, and that the President and Secretary be authorized to execute same on behalf of the Board and District. Director Streit seconded the motion, which unanimously carried.

ADOPTION OF ORDER ADOPTING A CODE OF ETHICS, FEES AND EXPENSE POLICY, POLICY RELATING TO CONSULTING SERVICES, UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS, POLICY RELATING TO ADOPTION OF ANNUAL OPERATING BUDGET, AND CREATING AN AUDIT COMMITTEE ("CODE OF ETHICS")

Mr. Barker presented to the Board a proposed Code of Ethics, a copy of which is attached hereto as **Exhibit K**, and advised that that the language relative to the Fees and Expense Policy has been updated to provide that, with Board approval, directors may claim fees of office for virtual attendance or watching recorded sessions of conferences, but limited in number to the actual number of days of the conference during which live presentations were made. Following discussion, Director Goings moved that the Code of Ethics be approved, that the District's prior adopted code of ethics

be revoked, and that the President and Secretary be authorized to execute the Code of Ethics on behalf of the Board and District. Director Streit seconded the motion, which unanimously carried.

AMENDMENT TO THE THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Barker presented and discussed with the Board an Amendment to the Third Amended and Restated District Information Form (the "DIF") reflecting a change in the form of Notice to Purchasers. After discussion, Director Goings moved that the amended DIF be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Streit seconded said motion, which carried unanimously.

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. A copy of the Glencarin Crime Report for June 2023 is attached hereto as **Exhibit L**.

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 provided to SPH for delivery to the Board.

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.

(SEAL)

Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A FORVIS Engagement Letter
- Exhibit B Bookkeeper's Report
- Exhibit C 2024 Approved Budgets
- Exhibit D Tax Assessor-Collector Report
- Exhibit E Delinquent Tax Report
- Exhibit F Sales and Use Tax Administration Report prepared by SRI
- Exhibit G Operator's Report
- Exhibit H Rate Order
- Exhibit I Engineer's Report
- Exhibit J Resolution Authorizing Increase in Fees of Office and Expenses
- Exhibit K Order Adopting a Code of Ethics, Fees and Expense Policy, Policy Relating to Consulting Services, Uniform Financial Accounting and Reporting Standards, Policy Relating to Adoption of Annual Operating Budget, and Creating an Audit Committee of the Board of Directors
- Exhibit L Glencarin Crime Report

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