

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF COMMISSIONERS OF THE  
JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3

A regular meeting of the Board of Commissioners of the Jefferson County Emergency Services District No. 3 ("District") was called for at 4:00 p.m. on June 9, 2025, at the District's administrative office, located at 3554 S. Pine Island Rd., Beaumont, Texas 77713, pursuant to notice duly posted according to law.

At approximately 4:00 p.m., the regular meeting was called to order. The roll was called of the duly constituted officers and members of the Board, to wit:

Doug Saunders	President
Brandon Rose	Vice President
Rich Courville	Secretary
Mike Doguet	Treasurer
Bryan Phelps	Assistant Treasurer

All of said Board members were present, thus constituting a quorum. Also present at the meeting were: Daniel Diaz, District Administrator; Phillip Kibodeaux, Fire Chief; Joshua Heinz of Benckenstein & Oxford, L.L.P., attorneys for the District; Preston Hagger with Next Level Urgent Care; and, various members of the fire department.

Upon establishing that a quorum was present, President Saunders asked for public comment as set forth in Agenda Item No. 3, and being as there was none, the Board moved along to Agenda Item No. 4, at which time Mr. Diaz and Chief Kibodeaux reviewed with the Board their written monthly Administrator and Chief Reports, copies of which are attached hereto as **Exhibit A**.

The Board was then directed to Agenda Item No. 5 for review of the minutes of the regular meeting held on May 12, 2025. Upon motion by Assistant Treasurer Phelps

and seconded by Secretary Courville, and with the unanimous consent of the Board, the Minutes were approved.

Being as there were no proposed equipment purchases or other expenditure requests to be considered under Agenda Item No. 7, the Board moved along to Agenda Item No. 8, at which time Mr. Diaz reviewed with the Board the financing proposal from Government Capital for payment of the new Engine 31 purchase price, or a portion thereof. After discussing the financing options, Vice President Rose made a motion to borrow one-half of the Engine 31 purchase price (\$348,142.50) on a 10-year term with an interest rate of 4.873% (no prepayment penalty), which was seconded by Treasurer Douget and unanimously approved by the Board. Copies of the Government Capital financing proposal and Resolution regarding the promissory note are attached hereto as **Exhibit B.**

Next, the Board was directed back to Agenda Item No. 6 for review of the financial statements and payment of the District's bills. Mr. Diaz reviewed and discussed with the Board the monthly financial statements and listing of bills being presented for approval and payment, copies of which are attached hereto as **Exhibit C.** It was also recommended that \$720,000 be transferred from the District's TexSTAR investment pool account (ending 2220) to the Stellar checking account (ending 9872) for payment of the new Engine 31 purchase and various other anticipated expenditures. Upon motion by Vice President Rose and seconded by Secretary Courville, and with the unanimous consent of all the members, the Board approved payment of the bills reflected in the check list and checking account register (Check Nos. 4950 and 5035-5051, along with the Entergy, Mastercard Card Services, and other auto-debit/ACH payments), and the

\$720,000 fund transfer from the District TexSTAR investment pool account to the Stellar Bank checking account.

Thereafter, President Saunders directed the Board's attention to Agenda Item No. 9, at which time Mr. Diaz and the Board reviewed and discussed the proposed Sales Tax Consulting Services Agreement with HdL Companies, a copy of which is attached hereto as **Exhibit D**. Upon motion by Vice President Rose and seconded by Assistant Treasurer Phelps, the Consulting Services Agreement was unanimously approved by the Board.


The Board then moved along to Agenda Item No. 10, at which time Preston Hagger with Next Level Urgent Care discussed with the Board the PRIME Program membership, which would cost the District \$85.00 per month for each District staff/volunteer member, and would entitle all District's staff/volunteers and their family member to receive medical care at any Next Level Urgent Care facility without any co-pays or other visit costs. Mr. Hagger is going to provide the District with additional information on the Prime Program for the Board to review and consider.

The Board was then directed to Agenda Item No. 11, at which time Mr. Diaz and Chief Kibodeaux requested that the items identified on **Exhibit E** attached hereto be declared as salvage property, as such is either damaged beyond repair or exceeded its useful lifespan. Upon motion by Vice President Rose and seconded by Secretary Courville, the Board unanimously declared the identified items as salvage property and authorized disposal of same.

Next, under Agenda Item No. 12, Mr. Heinz advised on the status of the District's fiscal year 2023-24 audit report and the deadline for submitting same to the Jefferson County Commissioners Court. A Special Board Meeting will be held on June 23, 2025 at

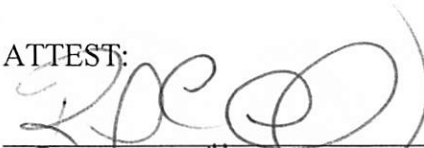
4:30 p.m., during which the Board will review for approval the fiscal year 2023-24 audit report. Furthermore, President Saudners advised that he recently moved outside of the District's boundaries, and for said reason, he is resigning from the Board. President Saudners has already notified Judge Branck of his resignation and requested that a new Board member be appointed to fill his vacated place. The other Board members and present fire department staff thank President Saudners for his service over the years.

Being as there were no other matters to come before the Board, the regular meeting was adjourned at approximately 4:55 p.m.

  
\_\_\_\_\_  
Brandon Rose, President

Date: 8/11/2025

ATTEST:

  
\_\_\_\_\_  
Rich Courville, Secretary

Date: 8/11/2025

# Exhibit A



***DISTRICT ADMINISTRATOR'S  
MONTHLY REPORT- June 9th, 2025***

**Updates-**

Fitness Equipment purchased from Dick's SG for Wellness Grant w/ VFIS. Docs have been submitted for reimbursement

ESD 3 Members went to US Fire Apparatus to inspect new truck. Found a few issues that needed attention. Will return to pick up when complete and financing has been funded.

New E-31 Financing Docs from Government Capital to be signed at today's meeting.

Property Tax Revenue- No deposit information as of meeting time today.

JCESD 3 to participate in full scale hurricane drill June 11<sup>th</sup> w/ JCEM and JC VFDs/ESDs.

**JCESD #3's Calls for Service**

**Total- 33**

Station 1- No Updates

Station 2- No Updates

Station 3- No Updates

*Daniel J Diaz*

**ESD EXPENSES OVER \$2,500.00 / for  
approval**

**Siebens- E-33, annual PM, Kuzzmaul  
Charger Install/labor and Annual Pump  
Test. \$4,476.10**

## Chief's Report

May 2025

- New E-31 final inspection is complete and ready for delivery, awaiting financing/payment to US Fire Apparatus.
- New extrication tools for E31 have been delivered to station 1.
- New mobile radio for E31 awaiting deliver, other accessories installed.
- Dist 3 will be participating in a full-scale hurricane drill on June 11, 2025 with JCEM and all JC VFDs/ESDs
- Total of 33 calls for month of May.

# Exhibit B





# Financing Proposal

*Prepared For*



## Jefferson County ESD 3

May 29, 2025

*Submitted By*

**Government Capital Corporation**

345 Miron Drive  
Southlake, Texas 76092

**Stephanie Cates**  
SVP Client Services  
(817) 722-0214



## Partial Listing of Texas Public Safety Clients



Travis County ESD No. 11



Wise County ESD 1



Kenedy County ESD No. 1



Seabrook VFD



Cass County ESD No. 2



Blanco County ESD No. 2



West Carlisle VFD



Nueces County ESD No. 2



Harris County ESD No. 5



Smith County ESD No. 2



Hill County ESD No. 1



Parker County ESD No. 6



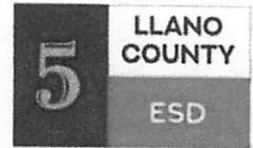
Bexar County ESD No. 10



Jackson County ESD No. 3



Henderson County ESD No. 2



Llano County ESD No. 5



Nueces County ESD 1



McQueeney VFD



Brazoria County ESD No. 3



Rusk County ESD No. 1



Bexar-Bulverde VFD



Johnson County ESD No. 1



Medina County ESD No. 1



Jefferson County ESD No. 4



## **Corporate Overview**

Government Capital Corporation (GCC) was founded in 1992 with the primary purpose of providing tax-exempt financing solutions for state and local government entities including cities, schools, counties, and special districts. Since our inception, GCC and its affiliates have provided financing solutions exceeding \$6 billion for many different types of projects. These projects have included construction, personal property and land acquisitions, infrastructure improvements, and public works projects. Our team possesses extensive experience assisting state and local governmental entities of all types in creating, evaluating and implementing financing structures of every type authorized by various state borrowing authorities. In many cases, we have helped our clients adapt to and comply with regulatory changes enabling them to execute financing more rapidly, efficiently, and economically.

## **Experience**

With vast experience in the investment banking and public finance industry, the staff at Government Capital Corporation has provided financing for municipalities, school districts, counties, and other special districts nationwide with cost-effective financial solutions. With thousands of clients in 49 states, we have gained the essential experience to successfully close a wide range of transactions.

## **Competitive Advantage**

Government Capital Corporation provides one of the nation's most sophisticated and cost-effective placement networks. For more than three decades GCC has served the financial needs of tax-exempt issuers, as well as equipment suppliers and finance companies serving the public sector. Our team of professionals has successfully closed client transactions from rural American towns to the largest state university systems. All were accomplished with the most cost-effective methods available.

## **GCC's Service Commitment**

GCC structures each issuance to meet the individual needs of each participant; prepares and executes all financial documents; provides current interest rate quotes and amortization schedules to assist in the budgetary process; restructures and/or refinances any current financing agreements; provides expertise in structuring escrow agreements for incremental disbursements.



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## RESOLUTION

### A RESOLUTION REGARDING A PROMISSORY NOTE AND SECURITY AGREEMENT FOR THE PURPOSE OF PROCURING A "FIRE TRUCK".

WHEREAS, Jefferson County Emergency Services District No. 3 (the Emergency Services District), desires to enter into a Promissory Note and Security Agreement by and between the Jefferson County Emergency Services District No. 3 as Borrower and Government Capital Corporation as Lender (the "Note"), for the purpose of procuring a "Fire Truck" as described in Exhibit A and incorporated herein (the "Property"); and

WHEREAS, The Jefferson County Emergency Services District No. 3 desires to designate this Note as a "qualified tax exempt obligation" of the Emergency Services District for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, pursuant to the Texas Health and Safety Code, Section 775.085 the Emergency Services District, to secure repayment of the loan evidenced by the Note desires to grant to Government Capital Corporation a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the Emergency Services District.

WHEREAS, the Jefferson County Emergency Services District No. 3 desires to designate the Board President or the Board President's designee as the authorized signer of the Note.

NOW THEREFORE, BE IT RESOLVED BY THE JEFFERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 3:

Section 1. That the Emergency Services District will enter into Promissory Note and Security Agreement with Government Capital Corporation for the purpose of procuring a "Fire Truck".

Section 2. That the Promissory Note and Security Agreement by and between Government Capital Corporation and the Jefferson County Emergency Services District No. 3 is designated by the Emergency Services District as a "qualified tax-exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Emergency Services District, to secure repayment of the loan evidenced by the Note does hereby grant to Government Capital Corporation a security interest in all ad valorem tax revenues and other funds on hand not otherwise pledged to pay a debt of the Emergency Services District, as authorized by the Texas Health and Safety Code, Section 775.085.

Section 4. That the Emergency Services District designates the Board President or the Board President's designee of the Jefferson County Emergency Services District No. 3 as the authorized signer of the Note.

Section 5. The Emergency Services District will use proceeds for reimbursement of expenditures related to the Property, within the meaning of Treasury Regulation § 1.150-2, as promulgated under the Internal Revenue Code of 1986, as amended.

This Resolution has been PASSED upon Motion made by Board Member Brandon Rose, seconded by Board Member Mike Doquet by a vote of 5 Ayes to 0 Nays and is effective this June, 2025.

Borrower: Jefferson County Emergency Services District No. 3

  
Doug Saunders, Board President

Witness Signature  
  
Rich Courville, Board Secretary



May 29, 2025

Daniel Diaz  
Jefferson County ESD 3  
(409) 861-4353  
ddiaz@jcesd3.com

Dear Mr. Diaz,

Thank you for the opportunity to present proposed financing for Jefferson County ESD 3. I am submitting for your review the following proposed structure:

ISSUER:	Jefferson County ESD 3, TX
FINANCING STRUCTURE:	Health & Safety Code 775.085
EQUIPMENT COST:	<b>\$ 348,142.50</b> (50% Down Payment)
TERM:	10 Payments
INTEREST RATE:	4.873%
PAYMENT AMOUNT:	\$ 44,808.40
PAYMENTS BEGINNING:	One year from signing, annually thereafter

These costs include documentation fees, legal fees, issuance expenses, etc. The above proposal is subject to audit analysis, assumes bank qualification and mutually acceptable documentation. The terms outlined herein are based on current markets. Upon credit approval, rates are locked through **June 29<sup>th</sup>, 2025**. If funding does not occur within this time period, rates will be indexed to markets at such time.

Our finance programs are flexible and as always, my job is to make sure you have the best possible experience every time you interact with our brand. We're always open to feedback on how to make your experience better. If you have any questions regarding other payment terms, frequencies or conditions, please do not hesitate to call.

With Best Regards,

*Stephanie Cates*

Stephanie Cates  
SVP Client Services  
Main: 817-421-5400

# Exhibit C

**Jefferson County ESD No. 3**  
**Statement of Activities ( Cash Basis )**

	1 Month Ended 5/31/2025 Actual	8 Months Ended 5/31/2025 Actual	Annual Budget	Over(Under) Budget By Account	% of Budget Used to Date
<b>Revenue</b>					
Property Tax	\$ 5,845	\$ 507,942	\$ 497,000	\$ 10,942	102.20%
Sales and Use Tax	60,273	531,558	600,000	(68,442)	88.59%
Interest Income	-	13,537	2,500	11,037	541.48%
Grants	-	14,850	20,000	(5,150)	74.25%
Fire Recovery	-	400	2,500	(2,100)	16.00%
Other Income	182	4,996	10,000	(5,004)	49.96%
<b>Total Revenue</b>	<u>66,300</u>	<u>1,073,283</u>	<u>1,132,000</u>		
<b>Operating Expenses</b>					
Accounting	525	4,097	14,800	(10,703)	27.68%
Advertising, Promotion, Public Relations	-	1,990	2,580	(590)	77.13%
Fire Chief Compensation	825	6,600	9,900	(3,300)	66.67%
Assit Chief Compensation	550	4,400	6,600	(2,200)	66.67%
Cleaning Supplies	-	338	1,200	(862)	28.17%
Communication Repairs	-	-	1,500	(1,500)	0.00%
Communication Maintenance Fee	-	10,387	5,000	5,387	207.74%
Communication Equipment Purchase	-	430	3,000	(2,570)	14.33%
ISO Hydrant Maint. Compliance & Imp.	-	179	4,500	(4,321)	3.98%
Contract Labor	650	5,200	10,000	(4,800)	52.00%
Dispatch Expense	-	934	13,000	(12,066)	7.18%
Dues, Subscriptions and Fees	-	2,445	3,500	(1,055)	69.86%
Equipment Purchase (< \$5,000)	4,899	5,699	6,100	(401)	93.43%
Fire Fighter Recognition/Retention	25	3,100	4,000	(900)	77.50%
Fuel	390	5,968	11,000	(5,032)	54.25%
Insurance - Liability & Windstorm	-	31,819	32,500	(681)	97.90%
Insurance - Workers Compensation	-	11,798	13,000	(1,202)	90.75%
Interest Expense - Credit Cards	-	-	200	(200)	0.00%
Legal	800	11,697	15,000	(3,303)	77.98%
Meals/emergency scenes	-	470	1,000	(530)	47.00%
Office Supplies	-	70	500	(430)	14.00%
Other Cost	-	-	500	(500)	0.00%
Personal Protective Equipment	-	13,875	20,000	(6,125)	69.38%
Personal Protective Airpacks	1,402	3,375	10,000	(6,625)	33.75%
Phone/Cable/Internet	362	3,820	6,000	(2,180)	63.67%
Maintenance-Preventative-Trucks	3,165	5,423	12,000	(6,577)	45.19%
Rent - Nome Fire Station	-	600	600	-	100.00%
Repairs & Maintenance - Trucks	-	14,117	33,000	(18,883)	42.78%
Software - reporting system	-	6,157	6,200	(43)	99.31%
Station Maintenance	207	4,454	14,000	(9,546)	31.81%
Supplies - EMS	-	1,757	3,500	(1,743)	50.20%
Supplies - Firefighting	-	140	1,500	(1,360)	9.33%
Test - Pump/Hose	2,400	5,585	4,000	1,585	139.63%
Training	109	994	13,200	(12,206)	7.53%
Travel	-	5,290	3,000	2,290	176.33%
Uniforms	-	713	4,000	(3,287)	17.83%
Utilities	550	5,119	7,500	(2,381)	68.25%
Website	217	1,736	2,650	(914)	65.51%
<b>Total Operating Expenses</b>	<u>17,076</u>	<u>180,776</u>	<u>300,530</u>		
<b>Administrative Expenses</b>					
Administrative Wages	3,400	27,200	40,800	(13,600)	66.67%
Office Supplies	-	241	822	(581)	29.32%
Postage/Delivery	-	146	350	(204)	41.71%
Interest Expense - Notes Payable	-	2,970	7,148	(4,178)	41.55%
Licenses, Fees, Permits	-	45	150	(105)	30.00%
Training	-	1,180	3,000	(1,820)	39.33%
Bank Service Charges	-	-	100	(100)	0.00%
Service Fees- Tax Collection	-	2,002	4,800	(2,798)	41.71%
Service Fees - Tax Office	-	4,624	3,300	1,324	140.12%
State Sales Tax Service Fee	1,205	10,631	12,000	(1,369)	88.59%
Consulting	-	-	4,500	(4,500)	0.00%
Uniforms - Admin	-	-	400	(400)	0.00%
Travel - Admin	-	-	4,000	(4,000)	0.00%
Notes Payable - Principle	-	26,857	76,580	(49,723)	35.07%
Payroll Tax Expense	260	2,240	3,300	(1,060)	67.88%
Contingency	-	-	20,220	(20,220)	0.00%
Purchase of a Fixed Asset	67,085	108,875	150,000	(41,125)	72.58%
Capital Fund Allocation	-	-	500,000	(500,000)	0.00%
<b>Total Administrative Expenses</b>	<u>71,950</u>	<u>187,011</u>	<u>831,470</u>		
<b>Total Expenses</b>	<u>89,026</u>	<u>367,787</u>	<u>1,132,000</u>		
<b>Net Change in Fund Balance</b>	<u>\$ (22,726)</u>	<u>\$ 705,496</u>	<u>\$ -</u>		

*These financial statements have not been audited or reviewed and no CPA expresses an opinion or a conclusion nor provides any assurance on them.*



**JEFFESD3 - Jefferson County ESD No. 3****Check List**

All Bank Accounts

May 13, 2025 - June 9, 2025

Check Number	Check Date	Payee	Amount
<b>Payroll Checks</b>			
4950	06/09/25	Diaz, Daniel J	2,815.90
<b>Payroll Check Total</b>			<u>2,815.90</u>
<b>Vendor Checks</b>			
5035	05/20/25	Dick's Sporting Goods	4,898.99
5036	06/09/25	24HR Safety, LLC	82.46
5037	06/09/25	Clicktunity	217.00
5038	06/09/25	Ethan Chick	183.33
5039	06/09/25	Hubert Oxford IV	400.00
5040	06/09/25	Joshua Carl Heinz	400.00
5041	06/09/25	Justin C. McGraw	183.33
5042	06/09/25	Lewis A. Kibodeaux	650.00
5043	06/09/25	M&D Supply Inc.	216.81
5044	06/09/25	Mary Ellen Robertson, CPA, PLLC	525.00
5045	06/09/25	O'Reilly Auto Parts	28.78
5046	06/09/25	Phillip Kibodeaux	825.00
5047	06/09/25	Phillip Kibodeaux	51.92
5048	06/09/25	Sean Gray	183.34
5049	06/09/25	Sieben Equipment Service, Inc.	4,476.10
5050	06/09/25	VFIS of Texas	1,161.00
5051	06/09/25	WEX Bank	573.53
<b>Vendor Check Total</b>			<u>15,056.59</u>
<b>Check List Total</b>			<u><u>17,872.49</u></u>

Check count = 18

# Jefferson County ESD No. 3

## Bank Account Register

Checking-Stellar Bank

May 13, 2025 - June 9, 2025

Date	Reference	Payee ID	Description	Checks/ Payments	Deposits/ Additions	Balance
05/13/25			Beginning Balance			(11,424.04)
05/13/25			Transfer of funds as approved by the board		20,000.00	8,575.96
05/13/25			Property Tax Revenue		5,845.02	14,420.98
05/20/25			Space Rental Herrera St.3, Over charge for trailer purchase refund		181.75	14,602.73
05/20/25	5035	DicksSG	Dick's Sporting Goods	4,898.99		9,703.74
05/27/25		ENTERGY	Entergy- Acct 135558120- St 1	193.63		9,510.11
05/27/25		ENTERGY	Entergy- Acct 135554277- Warehouse	52.98		9,457.13
05/31/25	59		Dick's Sporting Goods		0.99	9,458.12
06/04/25		Jody MC	Card Service Center	1,664.00		7,794.12
06/04/25		Daniel MC	Card Service Center	721.70		7,072.42
06/09/25	5036	24HR	24HR Safety, LLC	82.46		6,989.96
06/09/25	5037	Clicktunity	Clicktunity	217.00		6,772.96
06/09/25	5038	Ethan	Ethan Chick	183.33		6,589.63
06/09/25	5039	H Oxford	Hubert Oxford IV	400.00		6,189.63
06/09/25	5040	Josh Heinz	Joshua Carl Heinz	400.00		5,789.63
06/09/25	5041	McGraw	Justin C. McGraw	183.33		5,606.30
06/09/25	5042	Lewis	Lewis A. Kibodeaux	650.00		4,956.30
06/09/25	5043	MDSUPPLY	M&D Supply Inc.	216.81		4,739.49
06/09/25	5044	MER	Mary Ellen Robertson, CPA, PLLC	525.00		4,214.49
06/09/25	5045	OREILLY	O'Reilly Auto Parts	28.78		4,185.71
06/09/25	5046	Phillip	Phillip Kibodeaux	825.00		3,360.71
06/09/25	5047	Phillip	Phillip Kibodeaux	51.92		3,308.79
06/09/25	5048	Gray	Sean Gray	183.34		3,125.45
06/09/25	5049	SIEBEN	Sieben Equipment Service, Inc.	4,476.10		(1,350.65)
06/09/25	5050	VFIS	VFIS of Texas	1,161.00		(2,511.65)
06/09/25	5051	ExxonMobil	WEX Bank	573.53		(3,085.18)
<b>Totals</b>				<u>17,688.90</u>	<u>26,027.76</u>	<u>(3,085.18)</u>

Transaction count = 25



JEFFERSON COUNTY ESD 3  
ATTN DANIEL J DIAZ  
3554 S PINE ISLAND RD  
BEAUMONT TX 77713-3260

## MONTHLY STATEMENT OF ACCOUNT

ACCOUNT: 1231112220

ACCOUNT NAME: TS SAVINGS

STATEMENT PERIOD: 05/01/2025 - 05/31/2025

TEXSTAR MONTHLY SUMMARY: THE AVERAGE MONTHLY RATE WAS 4.2954%. THE AVERAGE WEIGHTED AVERAGE MATURITY WAS 42 DAYS AND THE NET ASSET VALUE FOR 5/30/25 WAS 0.999937.

### MONTHLY ACTIVITY DETAIL

TRANSACTION DATE	DESCRIPTION	CONFIRMATION NUMBER	TRANSACTION AMOUNT	BALANCE
	BEGINNING BALANCE			1,426,791.30
05/30/2025	MONTHLY POSTING	9999888	5,205.17	1,431,996.47
	ENDING BALANCE			1,431,996.47

### MONTHLY ACCOUNT SUMMARY

BEGINNING BALANCE	1,426,791.30
TOTAL DEPOSITS	0.00
TOTAL WITHDRAWALS	0.00
TOTAL INTEREST	5,205.17
ENDING BALANCE	1,431,996.47
AVERAGE BALANCE	1,426,791.30

### ACTIVITY SUMMARY (YEAR-TO-DATE)

ACCOUNT NAME	DEPOSITS	WITHDRAWALS	INTEREST
TS SAVINGS	560,604.65	0.00	21,690.92



Good Afternoon, Daniel Diaz

## ACCOUNTS



Stellar Bank Checking Account 9872

Available Balance

Current Balance

**\$6,790.48**

\$6,790.48

Stellar Bank Savings Account 7793

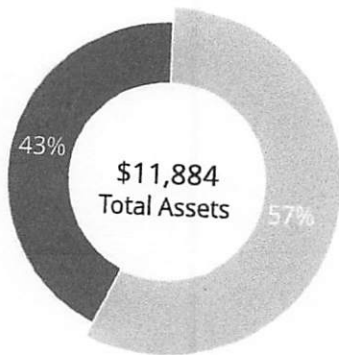
Available Balance

Current Balance

**\$5,093.30**

\$5,093.30

## ASSET SUMMARY



**Checking Account**

21279872

57.14%

Available Balance

**\$6,790.48**

Current Balance

\$6,790.48

# Exhibit D

## CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made by and between HdL COMPANIES, whose mailing address is 9821 Katy Freeway, Suite 440, Houston, TX 77024, hereinafter referred to as "HDL" and the JEFFERSON COUNTY ESD 3, whose mailing address is 3554 S. Pine Island Rd., Beaumont, Texas, 77713, hereinafter referred to as "CLIENT."

WHEREAS, CLIENT desires to engage HDL, as an independent contractor, to provide CLIENT consulting services for the administration of its sales and use tax and;

WHEREAS, HDL desires to consult with CLIENT to assist CLIENT with its sales and use tax administration;

NOW, THEREFORE, it is agreed as follows:

1. **Term.** The respective duties and obligations of the Agreement parties shall be for a period of twelve (12) months, commencing on June 1, 2025 (Commencement Date). The Agreement automatically renews in Twelve (12) month increments unless terminated in accordance with Section 10.

2. **Consulting Services.** HDL will provide, for all sales tax rate areas of CLIENT, consulting services as defined in Exhibit I.

A. **Incorrectly Received Tax Research Services Authorization.** HDL's Consulting Services have the potential to identify businesses which have reported, are reporting, or could report significant sales or use tax in error to CLIENT. Identification and correction of incorrectly reported tax could lead to CLIENT returning incorrectly received tax. CLIENT (authorizes \_\_\_\_\_) (does not authorize \_\_\_\_\_) HDL to conduct incorrectly received tax research. With authorization to conduct incorrectly received tax research HDL will initiate corrective actions without prior consultation with CLIENT and will keep CLIENT informed of any potential repayments.

B. **Additional Services.** CLIENT may request HDL provide additional consulting services at any time during the term of the Agreement. If CLIENT and HDL mutually agree on the scope of the additional consulting, then HDL will provide those services on a Time and Materials basis, or otherwise, as the parties agree. Hourly rates will vary depending on the scope and structure of the work and the personnel required. Any additional consulting services shall be agreed in writing by the parties prior to any services being performed. HDL will invoice monthly any fees and expenses for additional consultation services.

3. **Report & Consultation Fee.** A report and consultation fee of three thousand six hundred dollars (\$3,600.00) is due and payable for the twelve (12) month period of the Agreement on the Commencement Date of the Agreement.

A. **CPI Adjustment.** Fees may be increased as of the renewal date for the Sales Tax Administration Services each contract year with reference to the 12-month percent change

in the most recently published annual Consumer Price Index for All Urban Consumers (CPIU), South Region, as reported by the U.S. Bureau of Labor Statistics (the "CPI Change"). Each annual increase in the Fees will be equal to the greater of two percent (2%) or the actual CPI Change and the lesser of ten percent (10%) or the actual CPI Change. For example, if the actual CPI Change is 1.5%, then the annual increase will be 2%, if the actual CPI Change is 3.5%, then the annual increase will be 3.5%, and if the actual CPI Change is 12%, then the annual increase will be 10%.

4. **Commission Fee.** HDL is due a commission fee only if HDL work or recommendations made during the term of this Agreement, or any extensions thereof, resulted in Recovered, Future, or Increased Taxes actually being received by CLIENT. Any commissions earned during the Agreement or extensions thereof survive termination of the Agreement and CLIENT's commission fee obligations remain until completed.

**A. Definitions.**

- (1) **Recovered Taxes.** Recovered Taxes are taxes incorrectly paid to another jurisdiction which are, as a result of HDL recommendations or work, subsequently re-allocated to CLIENT; or are taxes that were not collected and paid to CLIENT for historical periods but are subsequently paid as a result of HDL recommendations or work.
- (2) **Future Taxes.** Future Taxes are taxes received by CLIENT as a result of HDL finding and fixing errors which result in taxes received forward from the error correction.
  - (a) An error correction can result in both Recovered Taxes and Future Taxes.
- (3) **Increased Taxes.** Increased Taxes are taxes received by CLIENT as a result of HDL finding and fixing errors which result in an increase in taxes received above historic levels from the point of error correction.

**B. Commission Fees.** Commission fees are calculated based on the sales and use tax specific businesses or individuals reported to the Texas Comptroller of Public Accounts (TCPA) and were allocated to CLIENT and are documented by data and reports received from the TCPA.

- (1) **Recovered Taxes Commission.** HDL is due a commission of thirty-five percent (35%) of Recovered Taxes.
- (2) **Future Taxes Commission.** HDL is due a commission of thirty-five percent (35%) of Future Taxes received by the CLIENT for a period of twenty-four (24) months, which period begins upon CLIENT's first receipt of the correct Future Taxes.
- (3) **Increased Taxes Commission.** HDL is due a commission of thirty-five percent (35%) of Increased Taxes received by the CLIENT for a period

of twenty-four (24) months, which period begins upon CLIENT's first receipt of the correct Increased Taxes.

**C. Commission Fees Determinations.** Commissions fees due are determined and invoiced on quarterly basis, based on the commencement date.

**D. Commission Refund.** If HDL received commissions based on Taxes that are subsequently found to have been incorrectly paid to CLIENT and which Taxes are subsequently re-allocated from CLIENT or CLIENT is required to return those taxes to the TCPA, HDL will return or credit to CLIENT any commissions related to those taxes. HDL and CLIENT agree to negotiate a mutually agreeable commission repayment schedule on a case-by-case basis.

**E. Commission Period Shortened.** If certain Future Taxes or Increased Taxes cease as a result of annexation of CLIENT's territory, CLIENT's obligations to pay commissions to HDL which are based upon Future Taxes or Increased Taxes from the annexed territory cease on the effective date of the annexation.

**F. Cooperation after Termination.** CLIENT agrees to cooperate and to provide HDL necessary authorizations or provide HDL access to reports or information necessary to allow HDL to calculate its commission fees for the Recovered Taxes, Future Taxes and/or Increased Taxes until such time as CLIENT's obligations for those are complete.

**5. Expenses.** Expenses incurred by HDL in providing services in Exhibit I are the responsibility of HDL. If approved in advance in writing by CLIENT, HDL shall be reimbursed for any expenses, including travel, incurred by HDL beyond the scope of services included in Exhibit I. HDL shall invoice those expenses quarterly and they are due on receipt of invoice.

## **6. Client Obligations.**

### **A. Authorizations.**

- (1) **Information.** CLIENT authorizes HDL to request, receive and discuss tax information, whether or not confidential, related to CLIENT from the Texas Comptroller of Public Accounts (TCPA) officials, from County or other appraisal district officials and any other individuals or parties who are or may be obligated to collect sales and use tax on behalf of CLIENT. CLIENT authorizes HDL to initiate, request and to represent CLIENT in any discussions or reviews with parties obligated to collect sales and use tax on behalf of CLIENT but in no circumstance may these actions be construed to be, or HDL represent that HDL is an employee of CLIENT. CLIENT agrees and understands that the Texas Comptroller of Public Accounts has the exclusive authority and responsibility to administer and collect sales and use taxes on behalf of CLIENT and agrees that in retaining HDL, CLIENT is not delegating any of its responsibilities or authority to administer and enforce its sales and use taxes.
- (2) **Transmission of Confidential Information.** CLIENT will designate a person or location (CONTACT POINT) to whom or which HDL is



authorized to transmit CLIENT specific reports and information, some of which may be confidential. CLIENT acknowledges that on receipt of any confidential information from HDL, CLIENT assumes responsibility for assuring compliance with Section 9A. CLIENT will designate who is authorized to establish and/or change the CONTACT POINT and will communicate it or any change in CONTACT POINT in writing to HDL.

**B. Map.** CLIENT will provide HDL a detailed map of CLIENT's jurisdiction boundaries and its sales tax boundaries, if different from its jurisdiction boundaries. If CLIENT cannot provide a detailed map and if CLIENT requests HDL will arrange for one to be made and the costs for the map will be billed to CLIENT.

**C. Coordination.** CLIENT will designate a person to serve as the coordination point for CLIENT with HDL for sales/use tax issues related to CLIENT and who will be available to discuss with and provide HDL information, in a timely manner, to resolve questions related to CLIENT's jurisdiction boundaries. CLIENT agrees HDL will be the principal communications point related to sales tax between CLIENT and the TCPA and businesses and agrees to refer all contacts from the TCPA or businesses related to sales tax to HDL.

**D. Boundary Changes.** CLIENT will promptly notify HDL of any annexations or de-annexations of its territory or of any other jurisdiction boundary changes during the term of this Agreement.

**7. Copyrights and License.** HDL retains all the rights, title, and interest in to the processes, procedures, software, ideas, and know-how, whether patentable, copyrightable, or proprietary that HDL may develop or utilize in performing services for CLIENT. HDL grants CLIENT a non-exclusive license to reproduce for CLIENT's sole internal use and benefit any copyrighted materials provided by HDL to CLIENT under the Agreement as long as the copyright mark and any confidentiality notices, if applicable, are not removed in the copying process.

**8. Data Source and Accuracy.** In performing services under this Agreement HDL will rely on data and information from the Texas Comptroller of Public Accounts (TCPA) and potentially other public and private sources. In relying on such data and information HDL will exercise reasonable due diligence as to its accuracy; however HDL makes no warranties or representations as to its accuracy.

**9. Parties Document Retention and Confidentiality Obligations.** HDL, its principals, employees, agents, contractors and associates agree to maintain confidential, for a period of 5 years or any other period as required by statute, any information marked or designated as confidential by CLIENT or received for CLIENT'S benefit, and agree to destroy, at the written request of the CLIENT, all such documents and any other documents obtained by HDL on CLIENT's behalf, whether or not confidential, within 30 days of termination of this Agreement. CLIENT, its officers, employees, associates, agents, or contractors agree, except as required by the Texas Open Records Act or other legal process, to maintain confidential any HDL contacts

disclosed to CLIENT, any proprietary analytical methods, procedures, or any software disclosed to and/or used on behalf of CLIENT.

A. CLIENT and HDL acknowledge certain data received from the TCPA and utilized by HDL in providing services under this Agreement is made confidential by Texas Tax Code, ¶ 321.3022, 322.2022, 323.2022, as applicable, and may be used only for the purpose of economic forecasting and internal audit. Unauthorized distribution or disclosure of confidential information by an individual or employee of a company or an officer or employee of a government agency is punishable by six (6) months in jail and a \$1,000 fine (Texas Government Code ¶ 552.352). CLIENT agrees any confidential information provided CLIENT by HDL will be maintained confidential and will not be utilized in any manner inconsistent with the law. HDL agrees it will not use confidential information in any manner other than for providing services to CLIENT for CLIENT's internal audit and economic forecasting.

**10. Termination.** This Agreement may be terminated during its initial term by CLIENT if HDL is or has not fulfilled its obligations in Exhibit I, has been notified in writing HDL is in material breach of the Agreement and HDL has not corrected the breach within 30 days of notice. This Agreement may be terminated after the initial twelve (12) month term by either party by giving ninety (90) days' written notice to the other party at the address above or at an address chosen subsequent to the execution of this Agreement and communicated in writing. If CLIENT terminates this Agreement before a term's expiration, HDL will not refund any reports and consultation fee paid to HDL. If HDL terminates this Agreement prior to a term's expiration, HDL will return to CLIENT, pro-rata, the portion of the reports and consultation fee paid to HDL based upon the proportionate number of days remaining in the Agreement period for which the prior payment was due, but any payments due HDL as defined in Section 4 continue until fulfilled.

**11. Dispute Resolution.** If a dispute arises out of this Agreement, and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation before resorting to arbitration, litigation, or some other dispute resolution procedure. The fees for the mediation will be borne equally by the parties.

**12. General Provisions.**

A. **Fee Payments.** Fee payments are governed by Texas Government Code, Title 10, Subtitle F, Chapter 2251 - Payment for Goods and Services.

B. **Non-Waiver.** It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercise of its rights pursuant to the Texas Tort Claims Act or other applicable statute, law, rule, or regulation.

C. **Assignment; No Third-Party Beneficiaries.** This Agreement shall bind and benefit the Parties hereto. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and their legal successors and assigns and shall not be construed to confer any rights upon any third party.

**D. Choice of Law and Venue.** This Agreement shall be governed by and interpreted in accordance with laws of the State of Texas, without giving effect to any conflict-of-laws provisions. Venue shall be in the County of Texas in which CLIENT is located.

**E. Insurance.** HDL will maintain general business liability insurance of not less than \$1,000,000 from an A+ or better carrier and will provide CLIENT a Certificate of Insurance on request.

**F. Notices.** All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered, sent by facsimile or electronic mail with evidence of receipt, sent by reputable overnight courier with signature of recipient required or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to HDL to:           HdL Companies  
                              9821 Katy Freeway, Suite 440  
                              Houston, Texas 77024  
                              Attention:     Richard Fletcher

If to CLIENT to:       Jefferson County ESD 3  
                              3554 S. Pine Island Rd.  
                              Beaumont, Texas, 77713  
                              Attention:

or to such other names or addresses as HDL or CLIENT, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section.

**G. Counterparts.** This Agreement shall become binding when any one or more counterparts hereof, individually or taken together, shall bear the signatures of CLIENT and HDL. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any Party whose signature appears thereon, but all of which together shall constitute but one and the same instrument.

**13. Compliance With Texas Government Code Section 2271.002.** As required by Section 2271.002 of the Texas Government Code, HDL hereby verifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the phrase "boycott Israel" has the meaning provided in section 808.001 of the Texas Government Code.

**14. Compliance With Texas Government Code Chapter 2252 Subchapter F.** Unless affirmatively declared by the United States government to be excluded from its federal sanctions regime relating to Sudan, its federal sanctions regime relating to Iran, or any federal sanctions regime relating to a foreign terrorist organization, HDL represents it is not identified

on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or section 2270.0201 of the Texas Government Code.

**15. Compliance with Texas Government Code Section 2274.** Pursuant to Section 2274 of the Texas Government Code, HDL hereby verifies it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. "Discriminate against a firearm entity or firearm trade association" has the meaning provided in section 2274.001(3) of the Texas Government Code. "Firearm entity" and "firearm trade association" have the meanings provided in section 2274.001(6) and (7) of the Texas Government Code.

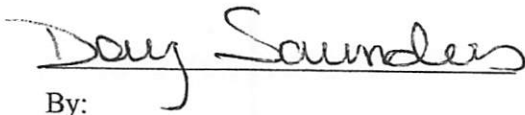
**16. Compliance with Texas Government Code Section 2276.** Pursuant to Section 2276 of the Texas Government Code, HDL hereby verifies that it does not boycott or will not boycott energy companies. "Boycott energy HDL" has the meaning provided in section 809.001 of the Texas Government Code.

**17. Compliance with Texas Government Code 2252.908.** Pursuant to Section 2252.908, Texas Government Code, the Form 1295 filing requirement applies to this Agreement and HDL shall furnish a Form 1295 to District.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the dates set forth below.

**JEFFERSON COUNTY ESD 3**

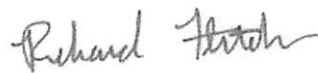
**HDL COMPANIES**



By:

Authorized Agent

Date: 6-9-25



By: Richard Fletcher

V.P. of Operations and Client Services

Date: May 1, 2025

**Exhibit I**  
**Sales/Use Tax Compliance Consulting Services**

In providing CLIENT comprehensive sales/use tax review, compliance and recovery services HDL will:

1. Serve as the primary contact point for CLIENT with the TCPA and businesses collecting sales/use tax for benefit of CLIENT,
2. Provide coordination and information as appropriate with and to the TCPA and businesses in order for CLIENT to receive its correct sales/use tax payments,
3. Research and review businesses reporting sales tax to CLIENT to assure they should be and are collecting and paying sales tax appropriately to CLIENT,
4. Research new businesses established in CLIENT's locale and fix any not registered appropriately to collect sales tax for the District,
5. Develop the requisite information and work with certain out-of-jurisdiction services and sales providers to assure the appropriate tax is collected and reported for CLIENT,
6. Review monthly details of CLIENT's sales tax receipts and research any anomalies which could result in missing tax,
7. Provide CLIENT monthly a series of reports, individually or aggregated in a package, as listed below. HDL may from time-to-time include additional reports and, with the concurrence of CLIENT, eliminate reports which may no longer be useful.
  - a. STS: a snapshot summary of several CLIENT sales tax metrics,
  - b. MSTG: current and historical sales tax receipts and their change and trends,
  - c. TOP100: Top 100 sales taxpayers in rank order with change from prior year,
  - d. TOP 30: Top 30 sales taxpayers in rank order with aggregated total and change from prior year,
  - e. MVAR: current month's sales tax collections variance contributor analysis,
  - f. FYTDVAR: fiscal year-to-date sales tax collections variance contributor analysis,
  - g. STPD: net sales tax payment detail and change from prior year,
  - h. ISRD: sales tax from industry segments rank and distribution,
  - i. ISRC: sales tax from industry segments ranked and change from prior year,
  - j. IST: sales tax from top industry segments trends,
  - k. STTG: a graphical report of CLIENT's month and year-to-date sales tax collections change compared with selected jurisdictions in CLIENT's County.
1. Business Group Sales Tax Forecast
8. Provide CLIENT periodically a sales tax analysis update report including issues HDL is researching which have potential for additional sales tax revenue for CLIENT,
9. Provide special reports and analyses of issues not included in the above reports but are within the scope of the Agreement,
10. Provide CLIENT's governing officials and management consultations as appropriate.



JEFFERSON COUNTY ESD 3  
3554 S. PINE ISLAND RD.  
BEAUMONT, TEXAS 77713

June 1, 2025

The Honorable Glenn Hegar  
Texas Comptroller of Public Accounts  
Post Office Box 13528, Capitol Station  
Austin, Texas 78711-3528

Re: AUTHORIZATION TO RECEIVE INFORMATION  
**JEFFERSON COUNTY ESD 3**

Dear Mr. Hegar:

Please be advised that JEFFERSON COUNTY ESD 3 (JfCESD3) has retained HdL COMPANIES (HdL) to provide JfCESD3 administrative assistance related to its sales and use tax. JfCESD3 hereby authorizes HDL, its principals, employees, and associates, to discuss, request, and receive any data, reports, and information, including any that may be confidential, which JfCESD3 would normally be entitled to receive, and which are pertinent to JfCESD3 sales and use taxes. This authorization applies to the State of Texas Comptroller's Office and to any entities which collect taxes on behalf of JfCESD3. This authorization is effective on the date of this notification and continues three hundred sixty-five (365) days from the date of this notification unless cancelled, in writing, by JfCESD3.

Sincerely,

Doug Saunders  
Signature

DOUG SAUNDERS  
Printed Name

Commissioner  
Title

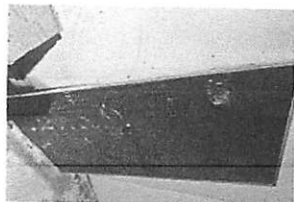
Cc: HdL Companies

# Exhibit E

Sheet1

Mfg Item	Model	Ser #	Current Value	Year	Description	Picture #
Weider	Pro 800	Unknown	0	Unknown	Weight Bench	1
Nordic Trac	C2300	U11120709	0	Unknown	Treadmill	2
Xterra	TR300	1380151512007075	0	Unknown	Treadmill	3
Ferrara	Unreadable	Unreadable	700	Unknown	Gas powered fan	5
Exertec Fitness	Unreadable	Unreadable	0	Unknown	Incline bench	6
Sunny Health & Fitness	SFRW5515	AN3305515D90975	0	Unknown	Row Machine	7
Unknown	Unknown	Unreadable	0	Unknown	Power line tools	8
Unknown	Unknown	Unreadable	0	Unknown	fiberglass pike pole	10
Unknown	Unknown	Unreadable	0	Unknown	fiberglass trash hook	10
Unknown	Unknown	Unreadable	0	Unknown	T-handle valve tool	10
Unknown	Unknown	Unreadable	0	Unknown	monitor from tanker	9
Unknown	Unknown	Unreadable	0	Unknown	Misc weights	12
Elkhart Brass	Unknown	87178	0	Unknown	2.5" monitor	11
Elkhart Brass	Unknown	87179	0	Unknown	2.5" monitor	11
Scott	Unknown	Unreadable	0	Unknown	steel scba	13
SEI	SuperPass II	MULTIPLE	0	Unknown	10 PASS devices	14
Carlisle	AT489	N/A	0	Unknown	SxS tire w/rim x2	15
Fill Rite	Unknown	N/A	0	Unknown	Fuel nozzle w/hose x2	16
Unknown	Unknown	N/A	0	Unknown	window screen x2	17
Unknown	Unknown	N/A	0	Unknown	Heavy Equipment tire x2	18
Hale	Guzzler Hand Pump	N/A	100	Unknown	Diaphram hand pump	19
Bullard	UST	MULTIPLE	0	Unknown	OOS fire helmet x3	21
Fire Research Corp	OPA530HI50NA	L0076291	0	Unknown	flood light	22
Fire Research Corp	OPA530HI50NA	L0076290	0	Unknown	flood light	22
Unknown	Unknown	N/A	0	Unknown	small trash hook	23
Scott	Eagle Imager 160 W/Base	Unreadable	0	Unknown	Thermal imaging camera	24
Scott	Composite	IL430930	0	Unknown	OOS SCBA bottle	25
DEK	6500 EL	UTL	100	Unknown	Generator	27
Hisun	7200	UTL	100	Unknown	Generator	28
Unknown	Unknown	Unknown	50	Unknown	O2 cart	29
Unknown	Unknown	Unknown	50	Unknown	Gear Rack	20
McCullouch	5700	UTL	0	Unknown	Generator	30
Misc radios and radio equipment (outdated and not usable)						26

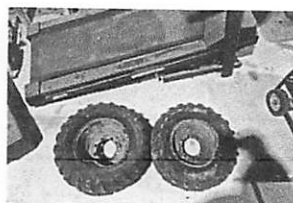




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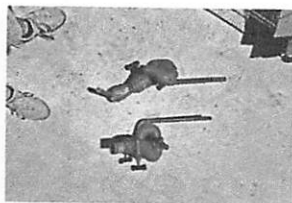
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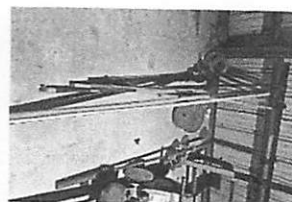
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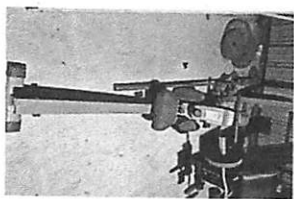
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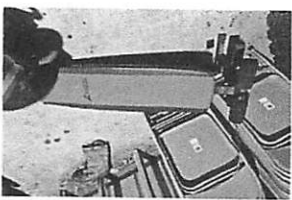
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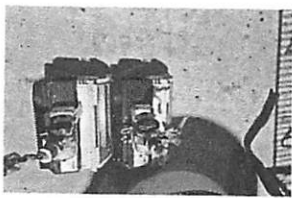
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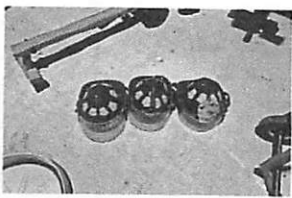
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