

Jeff Mashburn  
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Itasca, Texas 76055

May 18, 2022

Mark Pratt – District Attorney Hill County  
P.O. Box 400  
Hillsboro, Texas 76645-0400

Regarding: Itasca Independent School District and Complaints Filed with the Itasca Police  
Department

Mr. Pratt,

You are receiving this cover letter and enclosed documents relating to the complaint I have filed with the Itasca Police Department regarding the Itasca Independent School District. The district has failed to perform due diligence and follow standard protocols regarding the spending of taxpayer dollars. The district failed to follow common and standard procedures as outlined and required by school districts as part of government code and Texas Education Agency (TEA) rules and statutes. The district entered into an Energy Savings Performance Contract (ESPC) in 2016 and terminated the contract early due to issues with the contract and stated energy goals in the contract. The taxpayers of Itasca have been impacted by the district's decision to execute this contract. The district failed to follow competitive bidding rules and processes for expenditures that exceed \$50,000.00 in value. The ESPC contract value was ~ \$1.3 million dollars over a fifteen-year lease term agreement. The Energy Service Company (ESC) Ideal Impact received upfront its costs and fees for this project. The district is responsible for the shortfall in energy savings (dollars) to cover the cost of the contract. The district as part of this contract did not have in place electrical meters to verify the baseline energy cost used to calculate energy savings. Electrical submetering was not installed to measure and prove the energy savings were actually realized. ESPC contracts in Texas school districts have been under investigation by the US Attorney General's Office and this investigation is still underway. I have reached out for help from the Justice Department regarding what has occurred in the Itasca ISD.

There are also serious issues regarding the recent bond election that was proposed by the district. The district has failed to produce actual cost and estimates for each individual component that was listed in the bond program. The design and engineering for the project has not been done and bid documents from contractors to establish the real cost for each part of the bond program was not available to taxpayers attending the town hall meeting. This has been made known to the TEA as well. The district held a town hall meeting on Monday April 18<sup>th</sup> to present the bond program to those attending the meeting. The superintendent of schools Mr. Michael Stevens (only one present on the board) did not have any information to share with taxpayers regarding the cost of the items listed in the bond program.

## Texas Conservative Alliance

The former superintendent of the Itasca ISD Mr. Mark Parsons signed and executed a Chapter 313 agreement with BT Files Solar, LLC on February 10<sup>th</sup>, 2020. The district stated in the information published in the paper that 38% of the bond payments were coming from taxes levied on the agreed to value of the solar project. The value stated was \$20,000,000.00 for the taxable value used by the county appraisal office. The BT Files Solar project is just now getting underway. The project completion date is unknown at this time due to issues with manpower and supply chain problems. The contract signed by Mr. Parsons stated the BT Files Solar project would be in commercial operation by December 31<sup>st</sup>, 2021. The projected tax benefits to the Itasca ISD are not guaranteed funds. Any estimated tax benefits from the solar project will not be realized unit 2024 or 25. There was no viable reason to pass a bond program in the current economic environment when prices are inflated 30-40% in the construction industry.

The information published by the district was fraudulent and was purposely used to mislead the taxpayers of Itasca. The board of trustees and Mr. Stevens failed to perform due diligence and to safeguard the value of taxpayer dollars they have been entrusted with. It is my belief the district knowingly and willfully tried to push the bond program through by linking it to the solar project and convincing the taxpayers to pass the bond program knowing the issues with the contract.

I am asking your office to investigate and look into what has occurred in the Itasca ISD. What has happened in Itasca ISD is basically the same issues and problems that are being investigated in several school districts at this time in Texas.

Please review the attached and your response and comments are needed and welcomed.

Thanks for your time and help.

Respectfully,

Jeff Mashburn