

**FAR HILLS UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS MEETING**

**July 8, 2021**

The Board of Directors (the "Board") of Far Hills Utility District (the "District") met in regular session, open to the public, at the District's office, 10320 Cude Cemetery Road, Willis, Texas 77318, located within the boundaries of the District, on Thursday, July 8, 2021 at 5:00 p.m., pursuant to the notice of said meeting, whereupon, the roll was called of the members of the Board, to-wit:

James M. Haymon	President
Christopher A. Kuhl	Vice President/Tax Compliance Officer
Melinda M. Shelly	Secretary
David Bock	Assistant Secretary
J. Richard Cutler	Director

All members of the Board were present, except Director Bock, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Mr. Mark Ivy and Ms. Erika Mireles of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District. Attending via teleconference were: Ms. Sholeh Abedinzadeh, attorney, and Ms. Hannah Slaven, paralegal, of RBAP, and Mr. Bill Blich of Blich Associates, Inc., financial advisor for the District.

The President, after finding that notice of the meeting was posted and determining that a quorum of the Board was present, called the meeting to order, and declared it open for such business as may come before the Board.

1. **Public Comment.** There were no public comments at this time.
2. **Minutes.** The Board considered approval of the regular meeting minutes of June 10, 2021. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to approve the regular meeting minutes of June 10, 2021, as presented.
3. **Tax Assessor/Collector's Report.** On behalf of the Montgomery County Tax Assessor/Collector, Ms. Tammy McRae, the District's tax assessor/collector, Mr. Holland reviewed with the Board the June 2021 Tax Assessor/Collector's Report, a copy of which is attached hereto. Mr. Holland noted that the District has collected 98.93% of 2020 taxes as of June 30, 2021. Upon motion by Director Kuhl, seconded by Director Cutler, and after full discussion with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report.

4. **Delinquent Tax Attorney Report.** Ms. Adams noted that delinquent 2020 tax accounts will soon be referred to Perdue, Brandon, Fielder, Collins and Mott L.L.P., the District's delinquent tax attorney.

5. **Bookkeeper's Report.** Mr. Holland presented the Bookkeeper's Report, including the Investment Report, Budget Summary, Energy Usage Report, and Billing/Collection Report, copies of which are attached hereto.

Mr. Holland explained that the acquisition of BBVA, where many of the District's funds are currently held, by PNC, has resulted in changes in depository and collateralization structure that are unfavorable to governmental entities. Mr. Holland further explained that Central Bank has a special section designated for water districts, and recommended transferring the District's bank accounts to Central Bank. The Board requested that an item be added to the August Board meeting agenda to discuss and act on this matter.

Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted to: approve the Bookkeeper's Report, as presented, and authorize payment of the bills reflected therein.

Mr. Ivy entered the meeting at this time.

6. **Engineer's Report.** Due the absence of Mr. Tim Hardin, P.E. of Langford Engineering, Inc. and the District's engineer, Ms. Adams reviewed the Engineer's Report, a copy of which is attached hereto.

Ms. Adams reported that she had received a call regarding the District's annexation and development policies.

Ms. Adams reported that the Lift Station No. 1 ("LS No. 1") project to serve Clear View Estates ("Clear View") by B-5 Construction Co. ("B-5") was essentially complete with new controls and equipment in service. Ms. Adams further reported that an inspection performed on June 10, 2021 uncovered some deficiencies, which B-5 was rectifying. Ms. Adams noted that once the deficiencies are addressed, the final payment of retainage would be released to B-5.

Regarding construction of water, sewer and drainage facilities to serve Clear View, Ms. Adams reported that Langford continues to coordinate with Clearlake Asset Management, LLC ("Clearlake") and Clearlake's engineer to clear the project for final acceptance.

Regarding the status of development of the remaining acreage owned by FQ/LB, L.P. ("FQ/LB") in the French Quarter and Lake Breeze subdivisions, Ms. Adams reported that French Quarter, Section 4 is under design with bidding, construction of utilities, and paving estimated for the second half of 2021.

Ms. Adams next discussed the Board's request to run a water supply line directly from Water Well No. 6 ("WW No. 6") to Ground Storage Tank No. 1 ("GST No. 1"). Ms. Adams reported that the project is under design and that bids would be presented once the design was complete and bids were solicited.

Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

7. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District has 665 connections and a 98.38% water accountability ratio for the period ending June 21, 2021.

Mr. Ivy reported that he had been in communication with Lone Star Groundwater Conservation District regarding amending the District's Waterwell permit, and noted that there have been recent rule changes making the amendment process more time consuming.

Mr. Ivy next presented the Board with a proposal for a flushing valve survey for \$4,819.50. Mr. Ivy reported that there had been a house fire in the District, and the fire department alleged firefighters had been unable to unscrew caps from the flushing valve nearest the house, but MMIA was able to open said flushing valve easily. A lengthy discussion ensued regarding flushing valves and dead-end water lines in the Hawthorne Ridge and Twin Shores subdivisions.

Director Haymon next reviewed a proposal to replace the security cameras at the District administration building and water plant, noting that he and an associate will perform the labor to replace the cameras at no cost to the District, and that parts will not exceed \$4,000.

Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board 1) approved the Operations Report; 2) authorized termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order; 3) approved the proposal from MMIA to perform the flushing valve survey within the District; and 4) accepted the proposal to replace security cameras at the District facilities at a cost not to exceed \$4,000.

8. **Authorize Attendance at AWBD Fall Seminar and Winter Conference.** The Board then discussed authorizing the Directors' attendance at the AWBD Fall Seminar and Mid-Winter Conference in Galveston, Texas on January 28-29, 2022. Upon motion by Director Kuhl, seconded by Director Shelly, and after full discussion with all Directors present voting aye, the Board voted unanimously to authorize the Director's attendance at the AWBD Fall Seminar and the Mid-Winter Conference

9. **Miscellaneous Discussion.** Director Haymon noted that Ms. Shannon Waugh of Off Cinco, the District's website consultant, has provided the current text and email subscriber counts. A discussion ensued regarding the text/email notification process.

Director Kuhl next mentioned that there are items that could be declared as surplus property. Ms. Adams requested an inventory of such items, noting that if the Board wanted to dispose of them by donation, disposal or sale, such items must be declared as surplus first. Ms. Adams stated RBAP would prepare a surplus property resolution and add an item regarding same to the August agenda.

10. **District Website Report.** Director Haymon presented to and reviewed with the Board the June 2021 website report, a copy of which is attached hereto. The Board requested that this

item be removed from the agenda, and that Off Cinco be instructed to send the District's website analytics report to the Board each month instead. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board accepted the District Website Report.

11. **Attorney's Report.** Ms. Adams discussed that Governor Greg Abbott has called a special session of the Texas Legislature, and noted that she expects new bills, if passed, may affect small governmental entities. Ms. Adams recommended a surplus funds resolution and application to the Texas Commission on Environmental Quality ("TCEQ") to use surplus funds to fund repairs of the drainage, fencing, and flushing valve survey and potential repairs discussed earlier in the meeting. Ms. Adams stated that RBAP would prepare a surplus funds resolution and add an item regarding same to the August agenda.

12. **Adjournment.** There being no further business to come before the Board, upon motion by Director Cutler, seconded by Director Shelly and with all Directors present voting aye, the President adjourned the meeting at 6:09 p.m.

Passed and approved this 12<sup>th</sup> day of August 2021.



  
Secretary, Board of Directors