

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

**October 14, 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, October 14, 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, thus constituting a quorum. Consultants in attendance were: Ms. Regina Adams (via teleconference), Ms. Sholeh Abedinzadeh, attorneys, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), 800attorney for the District; Mr. Mark Ivy and Ms. Erica Mireles of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Mr. Tim Hardin, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; and Mr. Bill Blich of Blich Associates, Inc., financial advisor for the District; and Mr. Weston Duffy of Duffy's LawnCare, landscape maintenance provider for the District. Also in attendance were: Ms. Pat Brown, District resident.

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 at 5:00 p.m., and declared it open for such business as may come before the Board.

1. **Public Comment.** Ms. Brown requested the Board lower the amount of taxes owed by her to the District. Mr. Blich explained the tax rate setting process. An extensive discussion ensued regarding how rates are calculated and the appraisal process by the Montgomery Central Appraisal District ("MCAD"). Ms. Brown reported that she owed zero dollars (\$0) to the Willis Independent School District for taxes and does not understand why her taxes payable to the District cannot be lowered. Director Kuhl explained that tax rates are not set on an individual basis and the amount she owes in taxes will not decrease unless her house is appraised by MCAD at a lower value or the District substantially lowers its tax rate to all taxpayers.

Ms. Brown exited the meeting at this time.

Mr. Duffy reported there was a leak outside the District Administration Building and two (2) leaks near the Water Plant since February. Ms. Mireles and Mr. Ivy asked Mr. Duffy to email MMIA so discovered water or sewer issues could be handled immediately.

2. **Review replacement of landscaping at Wastewater Treatment Plant ("STP") berm.**

Director Cutler reviewed his assessment of the state of the oleanders on the STP berm. Director Cutler asked Mr. Duffy if transplanting the living oleanders is more cost-efficient than planting new ones. Mr. Duffy stated that transplanting the living oleanders is feasible as most were just planted one (1) year ago. Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to remove the dead oleanders and transplant the living oleanders to fill spaces along the front of the STP berm.

3. **Minutes.** The Board considered approval of the regular meeting minutes of September 9, 2021. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the regular meeting minutes of September 9, 2021, as presented.

4. **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 Tax Assessor/Collector's Report for the month of September, a copy of which is attached hereto. Mr. Holland reported that 99.58 % of the 2020 taxes have been collected as of September 30, 2021. Upon motion by Director Bock, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Tax Assessor/Collector's Reports.

5. **Delinquent Tax Attorney's Report.** Ms. Adams stated there was not a Delinquent Tax Attorney's Report for the month.

6. **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. A discussion ensued regarding the water revenue line item on the District's Fiscal Year Ending ("FYE") December 31, 2021 Budget and the processing of payments of water bills.

Mr. Blich exited the meeting at this time.

Mr. Holland then reviewed the draft FYE December 31, 2022 Budget. Director Kuhl asked Ms. Adams if a Budget Workshop meeting would be beneficial in allowing an in-depth review of same. Ms. Adams stated that such a meeting is an option, or the Board could appoint a Budget Committee to perform such preliminary review. Ms. Adams requested that Mr. Holland add an election expense line item of \$10,000.

Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to: 1) approve the Bookkeeper's Report, as presented; and 2) authorize payment of the bills therein.

7. **Engineer's Report.** Mr. Hardin then reviewed the Engineer's Report, a copy of which is attached hereto.

Regarding construction of water, sewer and drainage facilities to serve Clear View Estates ("Clearview"), Mr. Hardin reported that Langford continues to coordinate with Clearlake

Asset Management, LLC ("Clearlake"), the developer of Clearview, 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. in the French Quarter and Lake Breeze subdivisions, Mr. Hardin reported that contracts for French Quarter, Section 4 have been executed by all parties. Mr. Hardin further reported that construction of water, sewer, drainage and paving infrastructure is preliminarily scheduled to be complete within 90 days.

Mr. Hardin next reviewed the project to run a water supply line directly from Water Well No. 6 ("WW6") to Ground Storage Tank No. 1 ("GST1") ("Water Supply Piping Project"). Mr. Hardin reported that the contract with Wright Solutions, LLC ("Wright") in the amount of \$56,145.00 has been executed by Wright. Mr. Hardin noted that LEI received and reviewed the bonds and insurance. Mr. Hardin requested the Board authorize execution of the contract with Wright.

Mr. Hardin reported that LEI is in the process of preparing the Texas Pollutant Discharge Elimination System ("TPDES") Discharge Permit WQ0014555002 renewal application that is due by December 3, 2021.

Mr. Hardin then inquired if the Board would prefer to pay Lone Star Groundwater Conservation District ("LSGCD") fees annually or quarterly. It was the consensus of the Board to make annual fee payments to LSGCD.

Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to: 1) approve the Engineer's Report; and 2) approve and authorize execution of the contract with Wright in the amount of \$56,145.00 for the Water Supply Piping Project.

8. **Review Proposed Design, Materials and Cost Estimate for District Administration Building Fence.** Mr. Hardin stated that LEI would assist the District in procuring bids for the construction of the fence at the District Administration Building. An extensive discussion ensued regarding each Director's preferences on materials to use for such fencing and Director Bock's fence presentation was reviewed, a copy of which is attached hereto. Mr. Hardin suggested concrete fencing on perimeters visible to the street and wood and chain link fencing on perimeters adjacent to housing. An extensive discussion ensued regarding price differences between materials. The Directors determined that a wooden fence all around the District Administration Building and Water Plant would be best.

Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to: 1) authorize LEI to procure bids for a wooden fence at the District Administration Building; and 2) appoint Directors Kuhl and Bock as the committee for the purposes of making decisions on behalf of the Board regarding same.

9. **Status of installation of security cameras.** Director Haymon reported that installation of the security cameras is complete.

10. **Status of general maintenance of District Administration Building.** There was nothing to report other than the water softener was removed.

11. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District had 711 connections and a 99.67% water accountability ratio for the period ending September 20, 2021.

Ms. Mireles reported that after further investigation, MMIA determined that Mr. Garrick Broussard, the resident that attended the September Board meeting to request a reduction on his water bill, had a water softener leak that was repaired around the same time the meter indicated a spike and that MMIA adjusted his water bill in accordance with the District's Rate Order.

In response to a question, Mr. Ivy reported that the District's response to the Texas Commission on Environmental Quality ("TCEQ") Notice of Violation and investigation of the overflowing sanitary sewer manhole was complete and all issues were resolved. Mr. Ivy also stated that reports to TCEQ are anonymous and whomever reported the matter to the TCEQ but did not report it to MMIA was not identified.

In response to a question from Director Kuhl, Mr. Ivy stated that results from water testing conducted by residents are not needed by MMIA and all results of any water system testing performed by the District are public record.

Director Kuhl requested that MMIA explain, and the Board discuss, fire hydrant/flushing valve information at the November Board meeting.

Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to: 1) approve the Operations Report; and 2) authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order.

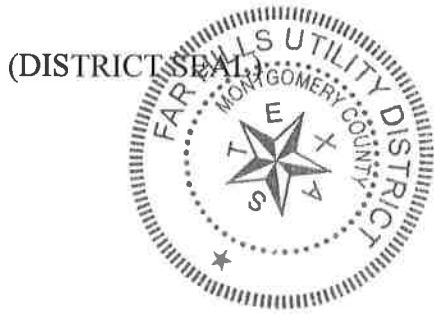
12. **Attorney's Report.** Ms. Adams reviewed with the Board a memorandum regarding proposed Texas Constitutional Amendments on the November 2, 2021 ballot.

13. **Montgomery County Elections ("MCE" ) Use of District Administration Building for 2022 Elections.** Ms. Adams reviewed with the Board correspondence from MCE requesting use of the District Administration Building for various dates during the 2022 Elections. It was the consensus of the Board to allow such use. Ms. Adams stated that RBAP would complete and submit the Polling Information Form to MCE.

14. **Annual review of all Consultants' contracts.** Mr. Ivy requested the Board include an item on the November agenda for potential amendment to the Professional Services Contract with MMIA.

15. **Adjournment.** There being no further business to come before the Board, the President adjourned the meeting at 7:04 p.m.

Passed and approved this 11<sup>th</sup> day of November 2021.



  
Secretary, Board of Directors