

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

November 11, 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, November 11, 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 and Ms. Sholeh Abedinzadeh (via teleconference), attorneys, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney 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. Also in attendance was Ms. Jean Haymon, resident of 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 at 5:03 p.m., and declared it open for such business as may come before the Board.

1. **Public Comment.** There was no public comment.
2. **Minutes.** The Board considered approval of the regular meeting minutes of October 14, 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 October 14, 2021, as presented.
3. **Tax Assessor/Collector's Report.** Mr. Holland stated there was no report to present at that time.
4. **Delinquent Tax Attorney's Report.** Ms. Adams stated there was not a Delinquent Tax Attorney's Report for the month. It was the consensus of the Board to remove this item from future agendas.

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.

In response to a question from Director Haymon, Mr. Holland stated that most District funds were transferred to Central Bank previously with only a small amount still remaining at BBVA. A discussion ensued regarding Central Bank's cash sweep program and such program's compliance with the Depository Pledge Agreement and the District's Investment Policy.

Upon motion by Director Kuhl, seconded by Director Brock, 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.

6. **Review proposed Budget for Fiscal Year Ending December 31, 2022.** This item was tabled until the December Board meeting.

7. **Engineer's Report.** Mr. Hardin then reviewed the Engineer's Report, a copy of which is attached hereto. Mr. Hardin stated there were no change orders or pay estimates at that time.

Regarding construction of water, sewer and drainage facilities to serve Clear View Estates ("ClearView"), Mr. Hardin reported that the project is complete. Mr. Hardin further reported that Clearlake Asset Management, LLC ("Clearlake"), the developer of ClearView, requested the District acquire ClearView Lift Station site from Clearlake. Mr. Hardin added LEI is working on the legal description so RBAP can prepare the deed.

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 construction is underway and C.E. Barker, Ltd., the contractor for same, is completing mass grading.

Mr. Hardin next reviewed the water supply line construction from Water Well No. 6 ("WW 6") to Ground Storage Tank No. 1 ("GST 1") ("Water Supply Piping Project"). Mr. Hardin reported that the project is underway, and Wright Solutions, LLC ("Wright"), the contractor for such project, is in the process of furnishing submittals and obtaining materials and equipment. Mr. Hardin reported that the Water Supply Piping Project is expected to be complete by the end of 2021 and LEI recommends authorizing rehabilitation of GST 1 following completion.

Mr. Hardin reported that the draft Texas Pollutant Discharge Elimination System ("TPDES") Discharge Permit WQ0014555002 renewal application ("TPDES Application") is complete and under review. Mr. Hardin stated that LEI would furnish a copy to the District's consultants for final review prior to submission to the Texas Commission on Environmental Quality ("TCEQ").

Director Kuhl presented to and reviewed with the Board four (4) bids for the installation of a new fence at the District Administration Building, copies of which are attached hereto. A discussion ensued regarding proposed gating. Director Kuhl recommended accepting the proposal from the lowest bidder, Four Seasons Development Co., Inc. ("Four Seasons"). Upon motion by Director Cutler, seconded by Director Bock, after full discussion and with all

Directors present voting aye, the Board voted unanimously to accept the proposal from Four Seasons in the amount of \$29,122.00, subject to receipt of a completed Form 1295 and Certificate of Insurance.

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 Engineer's Report; and 2) approve and authorize submission of the TPDES Application, upon final review of same.

8. **Status of Maintenance of Landscaping at Wastewater Treatment Plant ("STP") Berm.** Director Cutler reported this project has been completed.

9. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District had 724 connections and a 96.55% water accountability ratio for the period ending October 20, 2021.

In response to a question, Mr. Ivy reported that MMIA addressed all issues reported by Duffy's Lawncare, the District's landscape maintenance provider.

A discussion ensued regarding the viability of the water lines and hydrants in the Hawthorne Ridge subdivision and the need for a water line replacement. Mr. Ivy suggested having LEI assess the costs to replace such water lines and noted that service interruption should be minimal. A discussion ensued regarding the need for an additional water well and potentially an interconnect with Montgomery County Utility District No. 2 ("MCUD 2").

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) authorize Mr. Holland and Mr. Blich to develop costs and a financial analysis for the proposed capital improvements; and 2) authorize Director Cutler to contact the President of the Board of Directors of MCUD 2 regarding a potential interconnect between it and the District.

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 Operations Report; 2) authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order; and 3) authorize writing off any necessary water accounts as uncollectible.

10. **Review proposed Amendment to Professional Services Contract with MMIA, and take any necessary action on same.** Mr. Ivy reviewed with the Board proposed amendments to the Professional Services Contract with MMIA. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the proposed rate changes and amendment to the Professional Services Contract with MMIA effective December 1, 2021.

Director Cutler recommended looking at amending the water and sewer rates in the District's Rate Order. Ms. Adams suggested Director Cutler request a rate study from Mr. Blich.

11. **Adopt Resolution Casting Ballot for Election of Director to Montgomery Central Appraisal District ("MCAD") Board of Directors ("Resolution Casting MCAD Ballot")**. Ms. Adams presented and reviewed with the Board the Resolution Casting MCAD Ballot. Ms. Adams explained that if the Directors choose to vote, the Board is permitted to vote for Ms. Peggy Hausman, that represents conservation and reclamation districts on the MCAD Board. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Resolution Casting MCAD Ballot casting the District's five (5) votes for Ms. Peggy Hausman.

12. **Attorney's Report**. Ms. Adams reviewed the Arbitrage Rebate and Yield Restriction Compliance Service Program Report as of April 2, 2021, a copy of which is attached hereto.

A discussion ensued regarding recent statutory changes requiring the District to adopt an Emergency Preparedness Plan and it was the consensus of the Board to add this item to the December agenda.

13. **Adjournment**. There being no further business to come before the Board, the President adjourned the meeting at 7:21 p.m.

Passed and approved this 9th day of December 2021.




Secretary, Board of Directors