

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

**April 14, 2022**

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, April 14, 2022 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 D. 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; and Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District. Also in attendance was Mrs. Jean Haymon, a 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 5:07 p.m., and declared it open for such business as may come before the Board.

A. **Public Comment.** There was no public comment.

B.1 **Minutes.** The Board considered approval of the regular meeting minutes of March 10, 2022. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the regular meeting minutes of March 10, 2022, as presented.

2. **Review and Approve Fiscal Year Ended December 31, 2021 Audit.** This matter was tabled until the May Board meeting.

3. **Authorize Preparation and submittal of Continuing Disclosure Report.** This matter was tabled until the May Board meeting.

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 March, a copy of which is attached hereto. Mr. Holland reported that 96.89% of the 2021 taxes had been collected

as of March 31, 2022. Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the Tax Assessor/Collector's Report.

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.

Director Cutler inquired about LEI's invoices for the preparation of Texas Trust Holdings LLC ("THT") feasibility study for a 47.354-acre tract of land (the "Walker Tract"). Mr. Hardin responded that the District would request an additional deposit from THT since preparation of the feasibility study required more work than anticipated. Mr. Holland then reported that he has sent correspondence to Entergy in connection with the lack of electricity bill for the water plant despite many requests.

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 reflected therein.

6. **Review proposed bond amount and authorize preparation of Bond Application Report ("BAR").** Mr. Blich reviewed with the Board a bond study consisting of three (3) bond issuance amount options, copies of which are attached hereto. Mr. Blich recommended the Board consider a bond application in the amount of \$7,310,000.00. Director Cutler reported that he spoke with a Montgomery County Utility District No. 2 ("UD No. 2") Director who indicated UD No. 2 was interested in holding a joint workshop meeting with the District to further discuss the logistics and feasibility of an emergency water interconnect. Upon motion by Director Bock, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize the preparation of the BAR in an amount of \$7,310,000.00.

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

Mr. Hardin reported to the Board that the feasibility study for the Walker Tract has been submitted to THT. Mr. Hardin further reported that LEI would await further instruction regarding this matter.

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. ("C.E. Barker"), the contractor for same, completed underground water, sewer and the first stage of drainage utilities.

Mr. Hardin informed the Board that he anticipates construction commencing after Easter on the Ground Storage Tank ("GST") No. 1 ("GST 1") Rehabilitation Project.

Mr. Hardin next reported that surveys of sections of the Far Hills and Hawthorne Ridge subdivisions were underway for the Water Main Rehabilitation Project, and that final design will commence upon receipt of the topographic and boundary survey data.

Mr. Hardin went on to review with the Board a general layout of the potential emergency water line to an interconnect with UD No. 2, a copy of which is attached to the Engineer's Report, and requested the Board provide authorization to proceed with the conceptual design plan for same.

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; 2) accept the feasibility study for the Walker Tract; and 3) authorize preparation of the conceptual design for the emergency water interconnect with UD No. 2.

8. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District had 752 connections and a 96.56% water accountability ratio for the period ending March 21, 2022.

Mr. Ivy went on to report to the Board that the ladder in GST 1 may need to be replaced and stated he could obtain pricing for replacing such ladder with a stainless steel version. Discussion ensued regarding the need for the ladder.

Mr. Ivy next presented to and reviewed with the Board a proposal from Delta Cooling Towers, Inc. ("DCT") in the amount of \$35,480.31 for assembled fans for the cooling tower repairs. A discussion ensued. Ms. Adams noted the payment term should be revised to reflect NET 45 days.

Mr. Blich exited the meeting at this time.

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) approve the proposal and authorize the purchase of the assembled fans from DCT for the cooling tower repairs, subject to an electrical engineer reviewing of same.

9. **General maintenance of District Administration Building.** Mr. Hardin stated that LEI has yet to obtain proposals for painting the door trims at the Administration Building.

10. **General District facility landscape matters.** There were no issues to report.

11. **Attorney's Report**

**Status of various Out-of-District Service Agreements.** Ms. Adams stated that RBAP has not received a response from WGB RV Park on the Lake regarding the assignment of its Out-of-District Service Agreement.

Mr. Hardin exited the meeting at this time.

**Review Arbitrage Rebate and Yield Restriction Compliance Service Program Report for 2021 (the "Arbitrage Report").** Ms. Adams then reviewed with the Board the Arbitrage Report prepared by Arbitrage Compliance Specialists, Inc. concerning the District's

active bond issues as of March 9, 2022, a copy of which is attached hereto. Ms. Adams noted that she would meet with Director Kuhl in the future to review the post-issuance compliance checklists for Fiscal Year Ended December 31, 2021.

**Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:15 p.m.

Passed and approved this 12<sup>th</sup> day of May, 2022.

(DISTRICT SEAL)

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Secretary, Board of Directors

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

**April 5, 2022**

The Board of Directors (the "Board") of Far Hills Utility District (the "District") met in a special workshop 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, April 5, 2022 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 D. Adams (via teleconference) and Ms. Sholeh Abedinzadeh, attorneys, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Mr. Bill Blicht of Blicht & Associates, financial advisor for the District; Mr. Mark Ivy and Ms. Erica Mireles of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; and Mr. Tim Hardin, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer 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 at 5:30 p.m., and declared it open for such business as may come before the Board.

1. **Public Comment.** There was no public comment.
2. **Financial feasibility for developer reimbursement and District projects.** Mr. Blicht presented to and reviewed with the Board three (3) schedules of bond issuance options, copies of which are attached hereto.

Director Shelly entered the meeting at this time.

An extensive discussion ensued regarding prioritization of developer reimbursements projects and future District capital improvement projects, and the amount and timing of the District's next bond issuance.

Mr. Blicht recommended the Board add an item to the April 14<sup>th</sup> agenda to consider and take action on the amount of proposed bond issuance.

3. **Proposed future District projects, including water interconnect with Montgomery County Utility District No. 2 ("UD No. 2").** Mr. Hardin discussed with the Board the District's need to install an additional water well or establish an emergency interconnect with UD No. 2 to

provide an alternate redundant water supply source. A discussion ensued regarding how the District could proceed with financing such projects.

Director Cutler reported to the Board that he has had discussions with a UD No. 2 director that expressed UD No. 2's interest in sharing the costs of installing an emergency interconnect with the District. A discussion ensued regarding the process to begin discussions with UD No. 2. Director Cutler asked if the District has reserve funds to pay for the interconnect if bonds are not yet approved by Texas Commission on Environmental Quality at the time of construction of the interconnect. Ms. Adams and Mr. Hardin replied that the District does have available reserve funds.

It was the consensus of the Board to further consider the second bond amount option of \$7,245,000 at the April 14<sup>th</sup> Board meeting.

4. **Texas Trust Holdings LLC ("THT") feasibility study for 47.354 acres.** Mr. Hardin reviewed with the Board the feasibility study for the development of a 47.354-acre tract of land (the "Walker Tract"), a copy of which is attached hereto. A discussion ensued regarding the potential number of connections and necessary upgrades to District facilities that would be required to serve the proposed development. Director Kuhl asked if Montgomery County would have any input regarding a development of this size. Mr. Hardin responded that it would. A discussion also ensued regarding the different development options for the Walker Tract. Mr. Hardin noted that THT has not formally closed on the Walker Tract.

**Adjournment.** There being no further business to come before the Board, and upon motion by Director Bock, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 7:05 p.m.

Passed and approved this 12<sup>th</sup> day of May, 2022.



  
Secretary, Board of Directors