

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

**November 10, 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, November 10, 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, attorney, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Ms. Erika Mireles and Mr. Sergio Flores 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. Bill Blitch of Blitch & Associates, financial advisor for the District; and Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper 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 5:08 p.m., and declared it open for such business as may come before the Board.

1. **Public Comment.** There was no public comment.
2. **Election Agenda.** Ms. Adams reminded the Board that the District's November 8, 2022, Directors Election had been cancelled as Directors Haymon, Kuhl and Bock were unopposed candidates. Ms. Adams stated that the Certificates of Election could be executed by the Board President. Ms. Adams reviewed the Affidavits for Director, copies of which are available upon request, with Directors Haymon, Kuhl and Bock, who executed same, thereby verifying their qualifications to serve as Directors of the District.

Ms. Adams next reviewed with Directors Haymon, Kuhl and Bock their sworn Statements of Elected/Appointed Officer, as required by the Texas Constitution, copies of which are available upon request, which statements were then duly executed by Directors Haymon, Kuhl and Bock. Ms. Adams proceeded to administer the Oaths of Office to Directors Haymon, Kuhl and Bock, copies of which are available upon request.

It was the consensus of the Board to maintain the current slate of officers.

3. **Update on status of proposed sale of the District's Unlimited Tax and Revenue Bonds, Series 2022 (the "Series 2022 Bonds")**. Mr. Blitch reported that five (5) bids were received for the purchase of the Series 2022 Bonds and recommended the Board accept the low bid from Raymond James & Associates., Inc. ("RJA"), such bid reflecting a net effective interest rate of 5.093268%. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the bid of RJA (at 5:14 p.m.), a copy of which is attached hereto.

Ms. Adams then reviewed the various documents required for the issuance and delivery of the District's Series 2022 Bonds. Ms. Adams first presented and reviewed with the Board the Order Authorizing Issuance of the Series 2022 Bonds (the "Bond Order"). Ms. Adams went on to explain that the General Certificate is a summary of the District's history and outlines the authority by which the District issues the Series 2022 Bonds. Ms. Adams explained that the Signature Identification and No-Litigation Certificate is also included in the transcript of proceedings to the Texas Attorney General ("AG") in connection with the Series 2022 Bonds and will be dated the date of the AG's approval of the transcript. Ms. Adams then stated that the Tax Exemption Certificate certifies that the proceeds from the sale of the Series 2022 Bonds are tax-exempt and will not be used contrary to the relevant provisions of the Internal Revenue Code. Ms. Adams then presented letters to the AG and Texas Comptroller of Public Accounts (the "Comptroller") regarding instructions for the delivery of the Series 2022 Bonds for execution by Director Shelly. Ms. Adams next noted that wire to the AG for \$7,980 for review of the transcript will also need to be approved.

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) adopt the Bond Order; 2) approve the Series 2022 Bonds Official Statement; 3) approve the General Certificate, Signature Identification and No-Litigation Certificate, Tax Exemption Certificate, 8038-G Internal Revenue Form for the Series 2022 Bonds and authorize execution of same; 4) approve and authorize execution of Paying Agent/Registrar Agreement with UMB Bank, N.A.; 5) approve and authorize execution of letters to AG and Comptroller in connection with issuance of the Series 2022 Bonds; and 6) approve and authorize execution of all other documents and take all other actions necessary concerning the sale, delivery and closing of the Series 2022 Bonds. Copies of the documents outlined above are contained in the District's records.

4. **Minutes**. The Board considered approval of the regular meeting minutes of October 13, 2022. Upon motion by Director Shelly, 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 October 13, 2022, as presented.

5. **Tax Assessor/Collector's Report**. On behalf of the Montgomery County (the "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 October, a copy of which is attached hereto. Mr. Holland reported that 2.50% of the 2022 taxes had been collected as of October 31, 2022. 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 Tax Assessor/Collector's Report.

6. **Bookkeeper's Report.** Mr. Holland presented the Bookkeeper's Report, including the Investment Report, Budget Summary, Energy Usage Report, Billing/Collection Report and the draft Fiscal Year Ending December 31, 2023 Budget, copies of which are attached hereto.

A discussion ensued regarding the additional insurance premium for coverage of the District's electronic meter lease.

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

7. **Review District's Rate Order and amend as necessary.** Ms. Adams reviewed with the Board the proposed amendments to the District's Rate Order to include water and sanitary sewer service rates and fees for multi-family connections. An extensive discussion ensued regarding multifamily rates, the structure of the Rate Order and proposed Master metered development build-out.

Mr. Blitch exited the meeting at this time.

Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Order Adopting the Amended Rate Order, thereby including water and sanitary sewer service rates and fees for multi-family connections and modifying other tap fees, to be effective December 1, 2022. A copy of the Amended Rate Order is attached hereto.

Ms. Adams reminded the Board the District is required to publish a Notice of Amended Rate Order for two consecutive weeks prior to the District's Rate Order being effective. A discussion ensued regarding which newspaper is in general circulation in the District and therefore qualified for publishing such notices. It was the consensus of the Board to publish the Notice of Amended Rate Order in the *Courier of Montgomery County*.

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

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, Mr. Hardin reported that construction was complete. Mr. Hardin stated LEI was awaiting two (2) more pay estimates from C.E. Barker, Ltd.

Mr. Haymon noted there was no update regarding the status of the Wastewater Treatment Plan ("STP") repairs.

Mr. Hardin next reported that final design and plan production for the Far Hills and Hawthorne Ridge subdivisions water main replacement was underway and that such design and an updated opinion of project costs would be presented to the Board once available.

Mr. Hardin reminded the Board that Mr. Dru Kahlenburg of Clear Lake Assets, the developer for Clearview Estates, has sold a portion of Unrestricted Reserve F and that the new

owner proposed developing the property as Clearview Lakeside – one property containing single family residential rental units which would be master metered. The Board then reviewed the Application for Service from Leveltx Corp for service to 30 equivalent single family connections in the 7.66 acres reserve.

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 Engineer's Report.

9. **Review proposed Emergency Water Interconnect Agreement with Montgomery County Utility District No. 2.** There was nothing to discuss at this time.

10. **Operations Report.** Ms. Mireles then went on to review the Operations Report, a copy of which is attached hereto. Mr. Maas reported that the District had 777 connections and a 97.22% water accountability ratio for the period ending October 20, 2022.

Ms. Mireles reported that MMIA has received the parts for the cooling tower repairs and the repairs will begin after the Thanksgiving holiday.

Upon motion by Director Shelly, seconded by Director Bock, 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.

11. **General Maintenance of District Administration Building.** Director Kuhl updated the Board on the staining of the fence at the District Administration Building and noted that the fence appeared to need another coat of stain. A discussion ensued regarding payment for such project. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize final payment to Re-Image Renovations, LLC, subject to Director Kuhl's inspection and acceptance of the work.

12. **General District facility landscape matters.** There was nothing to report at this time.

13. **Attorney's Report.** Ms. Adams stated there was nothing to report at this time.

14. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Bock, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 6:50 p.m.

Passed and approved this 8<sup>th</sup> day of December, 2022.



  
Secretary, Board of Directors