

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

**March 9, 2023**

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, March 9, 2023 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. Meredith King (via teleconference), attorneys, 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 Torres 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 Blich of Blich and 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 5:14 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 February 9, 2023. Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the regular meeting minutes of February 9, 2023, as presented.
3. **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 stated that the Tax Assessor/Collector's Report was unavailable prior to the meeting.
4. **Delinquent Tax Attorney's Report.** There was nothing to report at this time.
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.

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 Bookkeeper's Report, as presented; and 2) authorize payment of the bills reflected therein.

6. **Review and accept insurance proposal.** Director Kuhl then reviewed with the Board the insurance proposal received from Arthur J. Gallagher & Co. ("Gallagher"). Director Kuhl noted that there was an approximately \$2,000 premium increase. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to unanimously to accept the Gallagher insurance proposal, a copy of which is attached hereto.

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

Mr. Hardin reviewed probable project costs for relocating the chlorine building at the Water Plant ("WP"), noting that costs were high. A discussion then ensued regarding how to continue to utilize the current WP chlorine building. The Board then requested that Mr. Hardin provide an estimate for the demolition of the WP chlorine building.

Ms. Adams and Ms. Mireles entered the meeting at this time.

A discussion then ensued regarding smoke testing in various segments of the District. Mr. Hardin recommended smoke testing the Hawthorne Ridge, Far Hills and Shelter Bay Estates subdivisions sewer mains. Mr. Hardin also stated that the smoke testing was not critical during Fiscal Year Ending December 31, 2023 and could wait until the next fiscal year. A discussion then ensued regarding the budgeted amount for smoke testing. Mr. Hardin stated that he would present the historical findings from the prior smoke tests at the April Board meeting.

Mr. Hardin noted there was no update regarding the status of the Wastewater Treatment Plant ("STP") repairs and that Langford was still assessing the potential necessary repairs.

Mr. Hardin next reported that final design and plan production for the Far Hills and Hawthorne Ridge subdivisions water main replacement was underway. Mr. Hardin noted that bids would be received on March 23<sup>rd</sup> and presented at the April Board meeting.

Mr. Hardin reminded the Board that Clearlake Assets, the developer of Clearview Estates, sold a portion of Unrestricted Reserve F and that the property was renamed Clearview Lakeside – one reserve property containing single family residential rental units which would be master metered. Ms. Adams noted that the water meter easement for service to Clearview Lakeside was being finalized and would be provided to the developer for execution.

Mr. Hardin went on to review with the Board the Langford 2023 Engineering Services Professional Services Rate Sheet, a copy of which is attached to the Engineer's Report. Mr. Hardin stated that Langford's rates were not changing, but that Langford was adding new employee categories.

Mr. Hardin then reviewed with the Board the status of the emergency interconnect with Montgomery County Utility District No. 2 ("MCUD No. 2"). Mr. Hardin stated that he was awaiting approval of the Emergency Water Supply Agreement (the "Interconnect Agreement") to proceed. Mr. Hardin stated that he provided MCUD No. 2 with additional options and information related to water main routes and was awaiting a response.

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) accept the Engineer's Report; and 2) confirm the Langford 2023 Engineering Services Professional Services Rate Sheet.

Mr. Blitch exited the meeting at this time.

8. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Mr. Mireles reported that the District had 790 connections and a 96.19% water accountability ratio for the period ending February 20, 2023.

Mr. Torres reported that Water Well No. 5 was back online and that he anticipated that the Water Well No. 6 fans would be completed in the following two (2) weeks. Mr. Torres also stated that all of the chlorine lines had been repaired.

Mr. Torres also stated that the force main did not require repair and that the ditch was regraded instead and gravel was added at the washout. Director Haymon also noted that he replaced the security cameras at the STP.

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 Operations Report; and 2) authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order.

9. **General Maintenance of District Administration Building.** Director Kuhl informed the Board that he would hold off on pressure washing the fence.

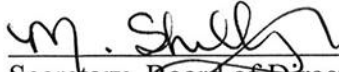
10. **General District facility landscape matters.** Director Cutler noted that the oleanders on the STP site berm needed to be cut.

11. **Attorney's Report.** Ms. Adams stated that she would coordinate with Director Kuhl to conduct the annual post-issuance compliance checklist annual review prior to the April Board meeting.

12. **Engineer's Report (cont.).** Director Cutler stated that MCUD No. 2 was awaiting a response from its financial advisor before the MUCD No. 2 Board approved the Interconnect Agreement with the District.

13. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:18 p.m.

Passed and approved this 13<sup>th</sup> day of April, 2023.



Secretary, Board of Directors

