

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

June 8, 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, June 8, 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 Adams Barner PLLC ("RAB"), attorney for the District; Mr. Mark Ivy and Ms. Erika 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. 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. Also in attendance were Mr. Doug Rasmussen and Mrs. Wendy Rasmussen, residents 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 5:09 p.m., and declared it open for such business as may come before the Board.

1. **Public Comment.** Mr. and Mrs. Rasmussen addressed the Board regarding a lack of continuity with the lift stations in the French Quarter subdivision, specifically on Saint Ann's Court. Mr. Hardin noted that such lift station was previously fenced in, but the fence was damaged and was not repaired. A discussion ensued regarding potentially building a new fence within the parameters of the existing easement and not in the right-of-way and Mr. Hardin recommended have a surveyor stake the boundaries of same.

2. **Minutes.** The Board considered approval of the regular meeting minutes of May 11, 2023. Upon motion by Director Cutler, 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 May 11, 2023.

Mr. and Mrs. Rasmussen exited the meeting at this time.

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 reviewed with the Board the Tax Assessor/Collector's Report for the month of May, a copy of which is attached hereto. Mr. Holland reported that 97.11% of the 2022 taxes had been collected as of May 31, 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 accept the Tax Assessor/Collector's Report.

4. **Delinquent Tax Attorney's Report.** Ms. Adams reviewed with the Board the Delinquent Tax Attorney'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.

Mr. Hardin noted that the deposit accounts for Clearview Lakeside and Clearlake Asset could be closed and the remaining funds on deposit returned to the respective developers.

Upon motion by Director Kuhl, seconded by Director Shelley, 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. **Authorize filing of Texas Unclaimed Property Report, if necessary.** Mr. Holland stated that he was preparing the Texas Unclaimed Property Report. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize the Bookkeeper to file the Texas Unclaimed Property Report when completed.

7. **Discuss Emergency Water Supply Agreement with Montgomery County Utility District No. 2 ("MCUD 2") and any other matters related to same.** Directors Haymon and Cutler reported on the committee meeting with MCUD 2 representatives regarding the Emergency Water Supply Agreement and design and construction of the interconnect.

An extensive discussion ensued regarding additional questions from MCUD 2 and potential locations for placement of the meter. Ms. Adams and Messrs. Hardin and Ivy concurred that the meter should be installed in an easement rather than within the right-of-way.

Mr. Hardin then presented to the Board the updated recommended layout of the interconnect water line and meter, a copy of which is attached hereto. Further discussion ensued regarding the potential location of the meter.

Mr. Blich exited the meeting at this time.

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

Mr. Hardin stated that Langford was preparing a revised scope of work and cost estimate for the build-out of the existing storage building on the Water Plant site.

Mr. Hardin also stated that Langford was in the process of updating the scope of work for the minor repairs and improvements to the Wastewater Treatment Plant.

Mr. Hardin reported that a Notice to Proceed was issued for the Water Main Rehabilitation and Replacements ("Water Main Rehab Project") with an effective date of June 12, 2023. Director Kuhl requested a notice regarding the Water Main Rehab Project be distributed via text and the District's website as soon as possible to all potentially affected customers. Mr. Ivy stated MMIA would disseminate such notice.

9. **Review District's five (5)-year plan and take any necessary actions on same.** Mr. Hardin presented to the Board the preliminary draft five (5)-year Capital Improvements Plan ("CIP"), a copy of which is attached to the Engineer's Report. Mr. Hardin noted that Langford would present additional updates to the five (5)-year CIP at the July 13th Board meeting.

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 Engineer's Report.

10. **Adopt Resolution Authorizing Use of Surplus Capital Project Funds for lift station and fence repairs (the "Surplus Resolution").** Ms. Adams reminded the Board that it accepted proposals for lift station and fence repairs at the May 11, 2023 Board meeting. Ms. Adams then reviewed with the Board the Surplus Resolution. Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Surplus Resolution.

11. **Review Lone Star Groundwater Conservation District ("LSGCD") Notice of Violation for well overproduction and related Consent Order and take necessary actions on same.** Mr. Ivy then reviewed with the Board a Notice of Violation from LSGCD for overproduction of the District's water well permit. Mr. Ivy reviewed the fines incurred due to such violations and the proposed LSGCD Consent Order No. 23-045 (the "Consent Order").

An extensive discussion ensued regarding the permitting process and how to proceed with future permitting requests. Mr. Ivy also reviewed the historical data on well production. Further discussion ensued regarding the threshold for "minor" versus "major" violations.

Upon motion by Director Haymon, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Consent Order, subject to Mr. Ivy's discussion with the LSGCD General Manager.

12. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District had 804 connections and a 97.85% water accountability ratio for the period ending May 20, 2023.

Mr. Ivy then fielded questions from the Board regarding various billing matters.

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.

13. **General Maintenance of District Administration Building.** Director Kuhl reported that he would be painting the gate at the District Administration Building.

14. **Review District's Policies and Rules for Use of the District Administration Building (the "Admin Building Use Policy").** Ms. Adams reviewed with the Board the Admin Building Use Policy, a copy of which is attached hereto. Ms. Adams recommended such policy be posted on the District's website. An extensive discussion ensued particularly regarding the cleaning fee. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to increase the Clean-Up Fee to \$150.00.

15. **District facility landscape matters.** There was nothing to report.

16. **Operations Report (continued).** Mr. Ivy presented to the Board a proposal from Four Seasons Development Co., Inc. ("Four Seasons") in the amount of \$4,588.00 for the installation of a fence at Lift Station No. 11 on St. Ann Court, a copy of which is attached hereto. A discussion ensued regarding the dimensions of such fence. 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 proposal from Four Seasons for the installation of a fence at Lift Station No. 11, with a cost allowance for any change in dimensions of such fence.

17. **Attorney's Report.** Ms. Adams noted that Ms. King would attend future Board meetings quarterly in Ms. Adams' place. Ms. Adams went on to report that RAB would be presenting an Attorney Fee Agreement Rate Amendment for General Counsel Services to the Board at its July 13th Board meeting.

18. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 7:12 p.m.

Passed and approved this 13th day of July, 2023.


Secretary, Board of Directors

