

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

October 12, 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, October 12, 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, except Director Cutler, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams (via teleconference) and Ms. Meredith King, attorneys, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Adams Barner PLLC ("RAB"), 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; Messrs. Tim Hardin, P.E. (via teleconference) and Norman Gutierrez, 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.

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.

1. **Public Comment.** There was no public comment.
2. **Minutes.** The Board considered approval of the regular meeting minutes of September 14, 2023. Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the regular meeting minutes of September 14, 2023.
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 September, a copy of which is attached hereto. Mr. Holland reported that 99.39% of the 2022 taxes had been collected as of September 30, 2023. Upon motion by Director Kuhl, seconded by Director Bock, 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.** The Board then reviewed the Delinquent Tax Report prepared by Perdue Brandon Fielder Collins & Mott, LLP., the District's Delinquent Tax Attorney, a copy of which is attached hereto.

The President called the public hearing for termination of water for non-payment of delinquent tax accounts to order. The President invited anyone to speak on the termination of service for non-payment of delinquent tax accounts and noted that there were no parties present who offered public comment. Ms. King noted that there were four (4) delinquent accounts with one (1) on hold awaiting payment in full. The public hearing was adjourned.

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 termination of service to eligible delinquent taxpayers.

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. Holland then reported to the Board that Central Bank was implementing a Positive Pay Program that would prevent fraudulent activity and reviewed the cost of such program. A copy of the Positive Pay worksheet is 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; 2) authorize payment of the bills reflected therein; and 3) authorize participation in the Positive Pay Program through Central Bank.

Further discussion ensued regarding the implementation of the Positive Pay Program.

6. **Discuss Emergency Water Supply Agreement with Montgomery County Utility District No. 2 ("MCUD 2") (the "Interconnect Agreement") and any other matters related to same.** Ms. King updated the Board on RAB's communications with MCUD 2's attorney and that the District was awaiting MCUD 2's approval of the Interconnect Agreement. Mr. Hardin confirmed that Langford had not received the capacity information requested from MCUD 2.

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

Mr. Gutierrez presented to the Board Pay Estimate ("PE") No. 3 in the amount of \$256,923.00 from MetroCity, LLC ("MetroCity") for the 2022 Water Main Rehab and Replacement Project ("Water Main Rehab Project") which reflected work performed through September 30, 2023.

Mr. Gutierrez reviewed with the Board the draft Feasibility Study for the 47.354-acre Walker Tract. Mr. Hardin went on to review the Ground Storage Tank and Wastewater Treatment Plant ("STP") upgrades recommended by Langford in the Feasibility Study. A discussion ensued regarding holding a special Board meeting to further review and consider such matters. It was the consensus of the Board to schedule the special Board meeting for November 1, 2023 at 3:00 p.m.

Mr. Blich exited the meeting at this time.

Mr. Gutierrez reported that the design phase of the STP Rehab and Improvements Project (the "STP Rehab Project") was underway. Mr. Gutierrez noted that Langford would provide a project schedule, preliminary design documents and an opinion of probable project costs for the STP Rehab Project once available. Mr. Gutierrez then explained that the Water Main Rehab Project construction was underway, and the contractor had installed approximately 6,400 linear feet (6,400 LF) of new water main. Mr. Gutierrez reviewed the progress map, a copy of which is attached to the Engineer's Report. Mr. Hardin went on to review issues that arose from damage to conflicting facilities by MetroCity's subcontractors. A discussion ensued.

Mr. Gutierrez then reminded the Board that Clearlake Asset Management LLC ("Clearlake"), the developer of Clear View Estates, installed a gate on Marci Lane in a public roadway and that the County was willing to abandon the ten-foot (10") strip of land but would only convey half of such strip of land to Clearlake and the other half to the District. Mr. Gutierrez stated that Clearlake provided a draft Petition to Close, Abandon and Vacate Public Right of Way (the "Petition") along with the legal description and a Special Warranty Deed that would convey the District's portion (once acquired) of the abandoned strip of land to Clearlake. Ms. King then reviewed the Petition with the Board and explained the process for the County's consideration of 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 approve: 1) the Engineer's Report; 2) PE No. 3 in the amount of \$256,923.00 from MetroCity for the Water Main Rehab Project; 3) the Petition; and 4) the Special Warranty Deed, subject to County approval of the Petition.

8. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Ms. Mireles reported that the District had 812 connections and a 95.64% water accountability ratio for the period ending September 20, 2023.

Ms. Mireles reported to the Board that MMIA was moving forward with the process to obtain approval to amend the District's LoneStar Groundwater Conservation District ("LSGCD") groundwater well permit to increase the limit due to well pumpage and drought conditions. A discussion ensued.

Ms. Mireles then informed the Board that LSGCD had implemented Stage 1 of its Drought Contingency Plan, and that the District was complying with same.

Upon motion by Director Bock, 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.

9. **General Maintenance of District Administration Building.** Director Haymon requested that MMIA coordinate with the District's electric services provider to install lamp style lights in the parking lot of the District's Administration Building due to complaints previously received from residents adjacent to the Administration Building.

10. **District facility landscape matters.** There was nothing to report.
11. **Attorney's Report.** Ms. King stated she had nothing further to report at the time.
12. **Annual review of consultants' contracts.** Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to acknowledge its review of the District's consultant contracts.
13. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Shelly, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 5:49 p.m.

Passed and approved this 9th day of November, 2023.


Secretary, Board of Directors

