

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

January 11, 2024

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, January 11, 2024 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; 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. 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 5:00 p.m., and declared it open for such business as may come before the Board.

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

Ms. King and Ms. Rodriguez entered the meeting at this time.

2. **Minutes.** The Board considered approval of the minutes of the December 14, 2023 regular Board meeting. 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 minutes of the December 14, 2023 regular Board meeting.

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 December, a copy of which is attached hereto. Mr. Holland reported that 50.02% of the 2023 taxes had been collected as of December 31, 2023. 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.

4. **Delinquent Tax Attorney's Report.** There was nothing to 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 Kuhl inquired about invoices related to winterizing the Water Plant and the mark up for materials for same. A discussion ensued regarding same. Director Kuhl then inquired about charges for an alleged sewer backup that was ultimately determined to be a cleanout issue. A discussion ensued regarding same. Mr. Torres noted that SourcePoint was not able to determine who was at fault for the issue.

Director Cutler then stated that the contractor that installed the fans on the cooling towers should be backcharged for the costs associated with rewiring such fans. Mr. Torres stated MMIA would look into the matter.

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. **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. Adams updated the Board on the status of the Interconnect Agreement noting that the District was awaiting MCUD 2's consideration of the District's memorialization of MCUD 2's proposed terms in same.

7. **Review District's Rate Order and amend as necessary.** Ms. Adams noted that RAB was not recommending any changes to the District's Rate Order at the time.

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

Mr. Hardin presented to the Board the Pay Estimate ("PE") No. 5 in the amount of \$176,040.60 from MetroCity, LLC ("MetroCity") for the 2022 Water Main Rehab and Replacement Project ("Water Main Rehab Project") which reflected work completed through December 31, 2023. Mr. Hardin noted a five percent (5%) retainage was withheld in accordance with the MetroCity construction contract.

Mr. Hardin reported that Langford was compiling the information for the Bond Application Report and bond issue cost summary for the reimbursement of FQ/LB, LLC, the developer of French Quarter subdivision, Section 4.

Mr. Hardin went on to report that there was not an update on the annexation of the 47.354-acre Walker Tract (the "Property") and that the District was awaiting the developer's petition to the City of Conroe (the "City") to remove the Property from the City's extraterritorial jurisdiction.

Mr. Hardin then noted that Langford would proceed with design of the facilities improvement projects once all annexation-related documents were in place for such projects.

Mr. Hardin further reported that the Water Main Rehab Project was completed and all connections had been switched over to the new water main service.

Mr. Hardin then requested that the Board authorize Langford to request proposals for smoke testing and manhole inspection in Shelter Bay Estates, Hawthorn Ridge and Far Hills subdivisions.

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) approve PE No. 5 in the amount of \$176,040.60 from MetroCity for the Water Main Rehab Project; 3) authorize Langford to request proposals for smoke testing and manhole inspections; and 4) authorize MMIA to plant grass at the 2022 Water Main Rehab site, if MetroCity did not do so in the following two (2) weeks.

Mr. Blich exited the meeting at this time.

9. **Operations Report.** Mr. Torres reviewed the Operations Report, a copy of which is attached hereto. Mr. Torres reported that the District had 817 connections and a 97.66% water accountability ratio for the period ending December 20, 2023.

Mr. Torres then presented to the Board a proposal from MMIA in the amount of \$10,700.00 for the water main valve replacement and installation of an additional valve along Cude Cemetery Road, a copy of which is attached hereto.

Mr. Torres reported that the LoneStar Groundwater Conservation District approved the District's well permit amendment.

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 Operations Report; 2) authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order; and 3) accept the proposal from MMIA in the amount of \$10,700.00 for the water main valve replacement.

10. **General Maintenance of District Administration Building.** It was noted that the striping in the parking lot at the District Administration Building was completed. Director Kuhl noted that there were heater issues at the District Administration Building. Director Cutler then stated that a service provider was coming to assess the heater.

Ms. King and Ms. Rodriguez exited the meeting at this time.

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

12. **Annual review of District's Emergency Response Plan.** It was noted that MMIA would present recommendations for changes to the District's Emergency Response Plan at the February 8, 2024 Board meeting.

13. **Annual review of Director Fees of Office and Expense Reimbursement Policy.** Ms. Adams noted that RAB was not recommending any changes at the time.

14. **Attorney's Report, including:**

Annual review of District's Post-Issuance Tax Exempt Debt Compliance Policies.

Ms. Adams stated that RAB was not recommending any changes at the time.

Status of Clear View Estates access road/gate conveyance matter. Ms. Adams reported that the Special Warranty Deed was recorded in the County Real Property Records and that the property had been conveyed to Clearlake Asset Management, LLC.

15. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Cutler, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 5:57 p.m.

Passed and approved this 8th day of February, 2024.




Secretary, Board of Directors