

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

April 17, 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, April 17, 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, except Director Shelly, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams 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; 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 minutes of the March 14, 2024 regular Board meeting. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the minutes of the March 14, 2024 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 March, a copy of which is attached hereto. Mr. Holland reported that 96.4% of the 2023 taxes had been collected as of March 31, 2024.

Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor/Collector's Report.

4. **Delinquent Tax Attorney's Report.** There was nothing to report.

5. **Review and approve proposal for cyber liability insurance coverage.** It was the consensus of the Directors to not obtain cyber liability insurance coverage.

6. **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 Bock, 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.

7. **Review invoice from Texas Department of State Health Services ("DSHS") Central Lab with a credit balance and take any necessary actions on same.** A discussion ensued regarding an invoice from DSHS Central Lab indicating a credit balance and two (2) options regarding the disposition of such credit. Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to request a refund of the DSHS Central Lab credit in the amount of \$163.73.

8. **Review and approve Amended Emergency Water Supply Agreement with Montgomery County Utility District No. 2 ("MCUD 2").** This matter was tabled.

9. **Discuss early redemption of the Municipal Lease-Purchase Agreement for electronic water meters with Government Capital Corporation (the "Lease") and take any necessary actions on same.** A discussion ensued amongst the Directors and Ms. Adams regarding the balance due on the Lease and the requirements for early redemption of same. It was the consensus of the Directors not to take action on this matter.

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

Mr. Hardin reported that Langford compiled the information for the Bond Application Report ("BAR") and bond issue cost summary for reimbursement to FQ/LB, LLC, the developer of French Quarter, Section 4. Mr. Hardin stated that the BAR was submitted to the Texas Commission on Environmental Quality ("TCEQ") on April 10, 2024 and declared administratively complete on April 12, 2024. A copy of the correspondence from the TCEQ is attached to the Engineer's Report. Mr. Hardin reported that, based on a 60-day expedited review, approval of the BAR by the TCEQ was anticipated on or before June 12, 2024.

Mr. Hardin then reminded the Board that it previously accepted a proposal from Hydroclear Services, LLC ("Hydroclear") for smoke testing in Shelter Bay Estates, Hawthorne Ridge and Far Hills subdivisions. Mr. Hardin reported that Hydroclear would begin manhole inspections and smoke testing on or about April 17, 2024 and that the Operator and affected residents had received notice.

Mr. Hardin reported that Langford was working with the MCUD 2 engineer to scope surveying requirements for the interconnect and that MCUD 2's engineer previously requested the water meter for such interconnect be installed on MCUD 2's Wastewater Treatment Plant site.

Mr. Hardin reported that the survey was authorized and he anticipated that it would be completed within 30 days. Mr. Hardin noted that Langford would proceed with the final design, geotechnical investigation and plan approvals once the survey was completed.

Upon motion by Director Cutler, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Engineer's Report.

11. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Ms. Mireles reported that the District had 828 connections and a 95.49% water accountability ratio for the period ending March 20, 2024.

Ms. Mireles reported that MMIA was looking into a new Kamstrup smart water meter supplier.

Mr. Holland exited the meeting at this time.

Ms. Mireles then reported that the assembly parts for the District's Water Plant cooling tower fan blades were delayed by three (3) to four (4) weeks. A discussion ensued regarding fan blades made of stainless steel or other alloys and the corrosiveness of same.

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

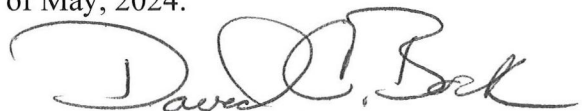
12. **General Maintenance of District Administration Building.** There was nothing to report.

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

14. **Attorney's Report.** A discussion ensued regarding the potential for a lack of quorum for the District's May 9, 2024 Board meeting. It was the consensus of the Directors to reschedule the Board meeting to May 23, 2024 at 5:00 p.m. at the District Administration Building.

15. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 5:59 p.m.

Passed and approved this 23rd day of May, 2024.


Assistant Secretary, Board of Directors

