

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

**June 19, 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 Wednesday, June 19, 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 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 Blitch of Blitch 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 May 23, 2024 regular Board meeting. 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 minutes of the May 23, 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 May, a copy of which is attached hereto. Mr. Holland reported that 97.88% of the 2023 taxes had been collected as of May 31, 2024.

Upon motion by Director Kuhl, seconded by Director Cutler, 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.** Ms. Adams reviewed with the Board the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept 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.
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 Cutler, seconded by Director Bock, 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 the Bookkeeper to file the Texas Unclaimed Property Report when completed.

7. **Review and approve Amendment Emergency Water Supply Agreement with Montgomery County Utility District No. 2 ("MCUD 2") (the "Interconnect Agreement Amendment").** Ms. Adams then reviewed with the Board the Interconnect Agreement Amendment. Ms. Adams noted that RAB and Langford were still awaiting a response from MCUD 2's engineer to finalize Exhibit "A" of the Interconnect Agreement Amendment, which outlined the location of the water meter. 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 Interconnect Agreement Amendment with MCUD 2, subject to finalization of Exhibit "A".
8. **Update on status of proposed sale of the District's Unlimited Tax and Revenue Bonds, Series 2024 (the "Series 2024 Bonds").** Mr. Blitch presented to the Board and recommended the approval of the Preliminary Official Statement for the Series 2024 Bonds, a copy of which is attached hereto. Mr. Blitch then reviewed the debt service analysis regarding the impact of a bond issuance on the District's debt service tax rate, a copy of which is attached hereto. Ms. Adams also noted that because there is a developer reimbursement included in the Series 2024 Bonds, the District's Auditor, McCall Gibson Swedlund Barfoot PLLC ("MGSB") would need to prepare agreed-upon procedures ("Reimbursement Audit") for same.

Upon motion by Director Bock, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Preliminary Official Statement; 2) adopt the Order Adopting Preliminary Official Statement, Approving Notice of Sale and Authorizing Distribution of Same for the Series 2024 Bonds, subject to receipt of the Texas Commission on Environmental Quality ("TCEQ") Order Approving Bond Application Report ("BAR") No. 11, a copy of which is attached hereto; and 3) authorize MGSB to prepare the Reimbursement Audit related to the Series 2024 Bonds.

Mr. Holland exited the meeting at this time.

The Board then discussed potential dates for a special Board meeting regarding the sale of the Series 2024 Bonds. It was the consensus of the Board to schedule such Board meeting on July 24, 2024 at 5:00 p.m.

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

Mr. Hardin reported that Pulte Homes ("Pulte"), a home developer, has expressed interest in the Walker Tract and was proposing the development of 151 lots. Mr. Hardin stated that Langford was still awaiting an application for service from Pulte.

With regard to the BAR No. 11, Mr. Hardin stated that it was submitted to the TCEQ on April 10, 2024 and declared administratively complete on April 12, 2024. Mr. Hardin reported that the District was still awaiting approval of the BAR by the TCEQ.

Mr. Hardin reported that the design phase for the emergency interconnect with MCUD 2 was ongoing and that Langford would produce the final design plans and updated costs estimate for approval, once completed.

Mr. Hardin then that the smoke testing and manhole inspections in Shelter Bay Estates, Hawthorn Ridge and Far Hills subdivisions was completed. Mr. Hardin reported that Langford would furnish the summary of the findings and recommendations once available.

Mr. Hardin then reviewed with the Board the District's Capital Improvement Plan, which was approved at the May 23<sup>rd</sup> Board meeting, a copy of which is attached hereto.

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 Engineer's Report.

10. **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 96.63% water accountability ratio for the period ending May 20, 2024.

Mr. Torres reported that the breaker for the generator at the Wastewater Treatment Plant ("STP") was burglarized. A discussion ensued regarding the security of the STP.

Ms. Adams then reviewed the terms of the Out-of-District Service Agreement with Mr. Dale Lanier. Ms. Adams noted that the recently constructed home was not located on Mr. Dale Lanier's property and, therefore, the District was not responsible for providing water service to such home.

Upon motion by Director Bock, 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.

Mr. Hardin and Mr. Blich exited the meeting at this time.

11. **General Maintenance of District Administration Building.** Directors Haymon and Kuhl presented to the Board a proposal from Air on Time AC ("Air AC") in the amount of \$5,168.00 for an air conditioning ("A/C") system installation, a copy of which is attached hereto. Directors Haymon and Kuhl then presented a proposal from CGI Restoration Services, LLC ("CGI") in the amount of \$40,408.66 for conference room renovations, A/C system installation and water heater installation, a copy of which is attached hereto. An extensive discussion ensued regarding a potential renovation of the District Administration Building.

Ms. Adams recommended the Board designate meeting places outside the boundaries of the District so that, in the event of a complete renovation, the Board could hold its meetings elsewhere.

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

13. **Attorney's Report, including review Arbitrage Rebate and Yield Restriction Compliance Service Program Report for 2023.** Ms. Adams then reviewed with the Board the Arbitrage Report prepared by Arbitrage Compliance Specialists, Inc. concerning the District's active bond issues as of March 7, 2024, a copy of which is attached hereto. Ms. Adams noted that she met with Director Kuhl to review the post-issuance compliance checklists for Fiscal Year Ended December 31, 2023.

14. **Election Agenda.** The Board discussed the November 5, 2024 Directors Election (the "Election"). Ms. Adams noted that Directors Shelly and Cutler were the incumbents.

The Board discussed appointment of a designated agent for the Election.

Ms. Adams stated that the District would be required to post the Notice of Deadline to File an Application for a Place on the Ballot for the Election at the District's building and on the District's website no later than July 20<sup>th</sup>. Ms. Adams noted that the first day on which applications could be accepted was July 20, 2024, and the application deadline was 5:00 p.m., on Monday, August 19, 2024.

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) appoint RAB as the District's designated agent for the Election and authorize posting the Notice of Appointment of Designated Agent, a copy of which is attached hereto; and 2) approve and authorize posting the Notice of Deadline to File and Application for a Place on the Ballot for the Election, a copy of which is attached hereto.

15. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 7:03 p.m.

Passed and approved this 11<sup>th</sup> day of July, 2024.



  
Assistant Secretary, Board of Directors