

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

November 14, 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, November 14, 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 Haymon, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams and Ms. Meredith King, attorneys, and Ms. Raechel Rodriguez (via teleconference), legal assistant, of Radcliffe Adams Barner PLLC ("RAB"), attorney for the District; Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper 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; and Mr. Bill Blich of Blich Associates, Inc., financial advisor for the District. Also in attendance were: Mr. Richard L. Muller, Jr. of Muller Law Group, attorney for Pulte Group ("Pulte"); Mr. Brian Williams of Pulte; and Mr. Garret Duhon, P.E. of WGA Consulting Engineers.

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.
2. **Election Agenda.** Ms. Adams reminded the Board that the District's November 5, 2024, Directors Election had been cancelled, as Directors Shelly and Cutler were unopposed candidates. Ms. Adams stated that the Certificates of Election for Directors-elect Shelly and Cutler could be executed by the Board Vice President. Ms. Adams reviewed the Affidavits of Director, copies of which are available upon request, with Directors-elect Shelly and Cutler, who executed same, thereby verifying their qualifications to serve as Directors of the District.

Ms. Adams next reviewed with Directors-elect Shelly and Cutler their sworn Statements of Elected/Appointed Officer, as required by the Texas Constitution, copies of which are available upon request, which statements were then duly executed by Directors-elect Shelly and Cutler. Ms. Adams proceeded to administer the Oaths of Office to Directors-elect Shelly and Cutler, copies of which are available upon request.

Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to retain the current slate of officers.

3. **Engineer's Report.** Mr. Hardin reviewed with the Board the Application for Service from Pulte. Mr. Williams reviewed with the Board the proposed plans for the 47.7-acre tract (the "Walker Tract"), a copy of which is attached hereto. Mr. Williams stated that Pulte would be interested in annexing the Walker Tract into the District or having an Out-of-District Service Agreement with the District to serve such tract. Mr. Williams then fielded questions from the Board.

Mr. Hardin then went on to preliminarily review the potential impacts the development of the Walker Tract could have on the District's facilities.

The Directors then expressed their concerns with the development of the Walker Tract, including the number of single-family residential connections and potential for increased traffic within the District and asked various questions regarding same of Pulte.

Messrs. Muller, Williams and Duhon exited the meeting at this time.

The Board went on to extensively discuss the potential development of the Walker Tract, the deposit required with Pulte's Application for Service and the then-current ownership of the Walker Tract. Mr. Hardin further reviewed the potential impacts such development may have on District facilities.

Ms. Adams exited the meeting at this time.

After discussion, it was the consensus of the Board to take no action regarding the pending applications for service for the Walker Tract at the time.

4. **Minutes.** The Board considered approval of the minutes of the October 10, 2024 regular and October 14, 2024 special Board meetings. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the minutes of the October 10, 2024 regular and October 14, 2024 special Board meetings.

5. **Tax Assessor/Collector's Report.** Mr. Blitch then presented to and reviewed with the Board information from the Municipal Securities Rulemaking Board ("MSRB") in connection with the MSRB Rule G-10 ("Rule G-10"), a copy of which is attached hereto. Mr. Blitch stated that the Rule G-10 requires the District's Financial Advisor to annually provide, in writing, the following items of information: (1) a statement that the Financial Advisor is registered with the U.S. Securities and Exchange Commission and the MSRB; (2) the website address for the MSRB; and (3) a statement as to the availability to the customer of an investor brochure that is posted on the website of the MSRB that describes the protections that may be provided by the MSRB rules and how to file a complaint with an appropriate regulatory authority. The Board then acknowledged receipt of the Rule G-10 notice from Blitch.

Mr. Blitch exited the meeting at this time.

On behalf of the Montgomery County (the "County") Tax Assessor/Collector, Ms. Tammy McRae, the District's tax assessor/collector, Mr. Holland reviewed the September and October Tax Assessor/Collector's Report, copies of which are attached hereto. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Tax Assessor/Collector Reports.

6. **Delinquent Tax Attorney's Report.** There was nothing to report at the time.

7. **Bookkeeper's Report.** Mr. Holland presented to the Board the Bookkeeper's Report, including the Investment Report, Budget Summary, Energy Usage Report, Billing/Collection Report and draft Fiscal Year Ending ("FYE") December 31, 2025 Budget (the "2025 Budget"), copies of which are attached hereto.

Director Cutler inquired about the District's energy consumption and an extensive discussion ensued regarding energy conservation.

In response to a question from Director Bock, Ms. King and Ms. Rodriguez explained that as the District's record retention officer, RAB routinely profiled all District documents, including invoices to RJournal, an Out-of-District customer, as part of maintaining the District's records.

Mr. Holland then further reviewed with the Board the draft 2025 Budget.

Upon motion by Director Shelly, 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 revised; and 2) authorize payment of the bills reflected therein, as presented.

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

Mr. Hardin reported that the design phase of the emergency interconnect with Montgomery County Utility District No. 2 was approximately 95% complete. Mr. Hardin noted that the regulatory agency reviews were underway. Mr. Hardin then reviewed with the Board the updated cost estimate based on the final design of such interconnect, a copy of which is attached to the Engineer's Report.

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

9. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Ms. Mireles reported that the District had 831 connections and a 97.92% water accountability ratio for the period ending October 21, 2024.

Ms. Mireles reported that the fans for the cooling tower were installed. A discussion ensued regarding a potential preventative maintenance schedule for the cooling tower fans.

Ms. Mireles then reported that alarms were installed at the District's Wastewater Treatment Plant.

Upon motion by Director Shelly, 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.

10. **Review District's Rate Order and amend as necessary.** Ms. King then reviewed with the Board the proposed District Rate Order amendments consisting of the increased water tap fees for residential connections and changes to certain customer fees and charges. Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Order Adopting Amended Rate Order and authorize publication of Notice of same in the *Courier of Montgomery County*.

11. **General Maintenance of District Administration Building.** Director Kuhl updated the Board on the status of the renovation of the District Administration Building, noting that he was still coordinating with Service Masters Recovery by CGI Restoration Services, LLC to complete the required documentation to proceed with the renovation. Director Kuhl also reported that a smaller air conditioning unit would need to be installed than what was initially proposed, which would decrease the District's costs. Director Kuhl noted that the Board's December meeting would be held in the bay at the District Administration Building.

12. **District facility landscape matters.** Director Cutler inquired if the District owned the entire lot in Clearview Estates where Lift Station No. 14 (the "Lift Station") was located and noted that the area would need to be mowed if such land was owned by the District. A discussion ensued regarding a fence recently installed by a resident near the property.

A discussion ensued regarding pieces of rebar and pipe being left outside the fence of the Lift Station. It was also noted that nails appeared to be loose on the Lift Station fence. Ms. Mireles noted that MMIA would address both matters.

Director Shelly reported that the gate at the District Administration Building was found open the night prior to the meeting and noted that she closed it.

13. **Attorney's Report, including adopt Resolution Adopting Covered Applications Prohibition Policy ("Covered App Policy Resolution") and location of December 12, 2024 Board meeting.** Ms. King then presented to and reviewed with the Board the proposed Covered App Policy Resolution, a copy of which is attached hereto. Ms. King stated that the Covered App Policy was required by Chapter 620, Texas Government Code, which required the Board to adopt rules, regulations and policies governing the use of certain applications and services on any device owned or leased by a governmental entity. A discussion ensued regarding the Covered App Policy.

Upon motion by Director Shelly, seconded by Director Bock, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Covered App Policy Resolution, as discussed.

14. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 6:46 p.m.

Passed and approved this 12th day of December, 2024.


Secretary, Board of Directors

