

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

December 12, 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, December 12, 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 Bock, 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; and Mr. Luis Pirela, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District. Also in attendance were: Mrs. Jean Haymon, District resident and Mr. David Alexander of Service Master Recovery by CGI Restoration Services, LLC ("Service Master").

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 5:01 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 November 14, 2024 regular Board meeting. Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the minutes of the November 14, 2024 regular Board meeting.
3. **Confirm engagement of Auditor for Fiscal Year Ending ("FYE") December 31, 2024.** The Board then reviewed the letter requesting confirmation of the Auditor's, McCall Gibson Swedlund Barfoot PLLC ("MGSB"), engagement for preparation of the FYE December 31, 2024 audit (the "2024 Audit"), a copy of which is attached hereto. Ms. Adams noted a fee range of \$21,000 - \$22,000 for preparation of the 2024 Audit. Ms. Adams noted that the fee for preparation of the FYE December 31, 2023 audit was \$21,500. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to confirm the engagement of MGSB.

4. **Authorize update of District capital asset values for audit preparation purposes.**

Ms. Adams explained that Langford annually assesses the District's asset schedule to provide MGSB with an updated valuation of same for inclusion in the 2024 Audit. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to authorize Langford to evaluate the District's capital asset values for the 2024 Audit preparation.

5. **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 the November Tax Assessor/Collector's Report, a copy of which are 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 approve the Tax Assessor/Collector Report.

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 FYE December 31, 2025 Budget (the "2025 Budget"), copies of which are attached hereto.

In response to an inquiry from Director Cutler, it was noted that three (3) auto-dialers were replaced in the District's lift stations.

Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Order Adopting the 2025 Budget.

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 Bookkeeper's Report; and 2) authorize payment of the bills reflected therein, as presented.

Mr. Alexander exited the meeting at this time.

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

Ms. Adams reviewed with the Board correspondence from Mr. Richard Mueller of Muller Law Group, attorney for Pulte Group ("Pulte"), the developer from which the District received a preliminary Application for Service for the 47.7-acre tract (the "Walker Tract"). A discussion ensued regarding the density of the proposed development for the Walker Tract. Ms. Adams recommended the Board authorize Langford to prepare a feasibility study of the Walker Tract upon receipt of a deposit from Pulte that addresses the feasibility of such project at various levels of density.

Mr. Pirela reported that the design phase of the emergency interconnect with Montgomery County Utility District No. 2 was nearing completion with agency reviews underway. Mr. Pirela noted that a copy of the updated project schedule was attached to the Engineer's Report.

Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize Langford to prepare a feasibility study of the Walker Tract, subject to receipt of the deposit from Pulte.

Director Kuhl then inquired if the Board could authorize final payment to Service Masters prior to the completion of the District Administrative Office renovation. A discussion ensued regarding inspection of the renovation work by Service Masters.

Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and the question being put to the Board, the Board voted unanimously to accept 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 833 connections and a 96.87% water accountability ratio for the period ending November 20, 2024.

Ms. Adams exited the meeting at this time.

Ms. Mireles reported that MMIA was working on a preventative maintenance schedule for the cooling tower fans.

Ms. Mireles then reviewed with the Board a report of three (3) delinquent accounts, a copy of which is attached hereto, and requested authorization to write-off such accounts in a total amount of \$536.41.

Upon motion by Director Cutler, 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 after the Christmas and New Year holidays and in accordance with the provisions of the District's Rate Order; and 3) authorize writing off three (3) delinquent accounts in the amount of \$536.41, as discussed.

10. **General Maintenance of District Administration Building.** Director Kuhl updated the Board on the status of the renovation of the District Administration Building. Director Kuhl stated that Service Masters anticipated the renovation would be complete within seven (7) to ten (10) days. A discussion ensued regarding authorizing payment to Service Masters, subject to the Engineer's approval of the final Pay Estimate. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor and one (1) vote against, with Director Cutler voting against, to authorize payment to Service Masters for the District Administration Building renovation, subject to the Engineer's review of the final Pay Estimate.

11. **District facility landscape matters.** Ms. King then reported that, as a follow-up to the discussion at the November Board meeting, the District owned the lot in Clearview Estates where Lift Station No. 14 (the "Lift Station") was located and that the property line did extend beyond the Lift Station fence line. Ms. King explained that the District was responsible for the maintenance of the entire lot.

12. **Adopt Resolution Submitting Nominee as Candidate for the Election of the Montgomery Central Appraisal District Board of Directors.** It was the consensus of the Directors to take no action on this matter.

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

Review 2025 Annual Agenda. Ms. King presented to and reviewed with the Board a draft 2025 Annual Agenda, a copy of which is attached hereto.

Authorize Eminent Domain reporting compliance pursuant to Texas Government Code, §2206.151-157, as amended. Ms. King then reported that RAB would file the required annual eminent domain report on behalf of the District. Ms. King explained that the report included information related to annual implementation of the District's authority to exercise its power of eminent domain and must be filed before February 1st of each year.


Authorize filing of financial and tax-related information to Texas Comptroller pursuant to Texas Government Code, §203.062 and Texas Government Code, § 403.0241 for the Special Purpose District Public Information Database ("SPDPID"). Ms. King then reminded the Board that the District was required to file certain financial and tax-related information on the Comptroller's SPDPID annually. Ms. King noted that such information must be filed by April 1, 2025.

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) authorize RAB to file the required annual eminent domain report; 2) authorize RAB to file the required financial and tax-related information on the SPDPID; and 3) approve the 2025 Annual Agenda.

14. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 5:47 p.m.

Passed and approved this 9th day of January, 2025.




Secretary, Board of Directors