

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

March 13, 2025

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, March 13, 2025 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 Cutler, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams, attorney, and Ms. Raechel Rodriguez, paralegal, 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. ("Blich" or "Financial Advisor"), 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 5:03 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 February 13, 2025 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 February 13, 2025 regular Board meeting.
3. **Delinquent Tax Attorney's Report.** There was nothing to report at the time.
4. **Engineer's Report.** 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 ("MCUD No. 2") was nearing completion with agency reviews underway. Mr. Hardin reported that Langford received comments from the Texas Department of Transportation ("TXDOT") and was resolving the issues presented. A discussion ensued regarding the timeline to resolve the issues presented by TXDOT. Upon motion by Director Kuhl, seconded

by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize Langford to advertise for bids for the construction of the interconnect, subject to receipt of all agency approvals.

Mr. Hardin then reviewed a photograph of sanitary manhole LS1-006 (the "manhole"), a copy of which is attached to the Engineer's Report, that was pierced by Frontier Communications ("Frontier") with an orange line and bisected by another three-inch (3") PVC line that Langford and MMIA were unable to identify. An extensive discussion ensued regarding the District's options for repairing the manhole. The Directors requested that Langford contact Frontier regarding relocating the orange line. The Directors opted to take no action regarding the PVC line since it could not be identified.

Mr. Hardin went on to report that the Wastewater Treatment Plant ("STP") improvement project design phase was on-going. Mr. Hardin reviewed with the Board the project scope and preliminary opinion of probable project costs. Mr. Hardin noted that the costs were \$833,600.00 more than initially anticipated. An extensive discussion ensued regarding the funding for and timing of the STP improvement project.

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.

Mr. Blitch exited the meeting at this time.

5. **Tax Assessor/Collector's Report.** On behalf of Ms. McRae, Mr. Holland reviewed the February Tax Assessor/Collector's Report, a copy of which is attached hereto. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Tax Assessor/Collector Report.

6. **Bookkeeper's Report.** Mr. Holland presented to the Board 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 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; and 2) authorize payment of the bills reflected therein, as presented.

7. **Review and accept insurance proposal.** Director Kuhl reviewed with the Board the insurance proposal from Arthur J. Gallagher Risk Management Services, Inc. ("AJG") and discussed the increase in premium for property insurance coverage. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to unanimously to accept the AJG insurance proposal, a copy of which is attached hereto, and authorize payment of the insurance premium, excluding Worker's Compensation coverage.

8. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Ms. Mireles reported that the District had 836 connections and a 99.11% water accountability ratio for the period ending February 19, 2025.

Mr. Torres then reviewed with the Board various repairs completed at the STP. Mr. Torres noted that a defective check valve was discovered prior to the Board meeting.

Mr. Torres then recommended the Board tour the STP. A discussion ensued. Ms. Mireles noted she would coordinate a STP tour with the Directors.

Ms. Mireles then reviewed with the Board a report of one (1) delinquent account, a copy of which is attached hereto, and requested authorization to write-off such account in the amount of \$108.97.

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 Operations Report; 2) authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order; and 3) authorize writing-off one (1) delinquent account in the amount of \$108.97.

9. **General Maintenance of District Administration Building, including review and approve proposal for HVAC maintenance.** Director Kuhl requested this item be tabled until a proposal for HVAC maintenance from Service Master Recovery by CGI Restoration Services, LLC, the contractor that installed the District's HVAC system, was received.

10. **District facility landscape matters.** There was nothing to discuss at the time.

11. **Attorney's Report.** Ms. Adams stated she had nothing further to report at the time.

12. **Adjournment.** There being no further business to come before the Board, and upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to adjourn the meeting at 6:07 p.m.

Passed and approved this 10th day of April, 2025.



(DISTRICT SEAL)


Secretary, Board of Directors