

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

July 10, 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, July 10, 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 Shelly, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams, attorney, and Ms. Raechel Rodriguez (via teleconference), paralegal, of Radcliffe Adams Barner PLLC ("RAB"), attorney for the District; Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; Mrs. Erika Donohoe and Mr. Sergio Torres of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Mr. Khiem Hoang, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer 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. **Tax Assessor/Collector's Report.** On behalf of Ms. Tammy McRae, the Montgomery County Tax Assessor/Collector, Mr. Holland reviewed the June Tax Assessor/Collector's Report, a copy of which is attached hereto. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the Tax Assessor/Collector Report.
3. **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 Kuhl, seconded by Director Cutler, 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.

4. **Minutes.** The Board considered approval of the minutes of the June 11, 2025 regular Board meeting. 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 minutes of the June 11, 2025 regular Board meeting.

5. **Determine District's status as a developed or developing district under the Texas Tax Code.** Ms. Adams then explained that the Board was required to determine whether the District was considered a "developing" or "developed" district in relation to calculating its annual tax rate for the purposes of Texas Water Code, Sections 49.236 and 49.23603. Ms. Adams explained that under the statutory definitions of the terms, the District appeared to be a developing district because it was still issuing debt to fund capital improvements to District facilities in order to serve 95% of the District. Ms. Adams further noted that, if the Board determined that the District was developing, the District may adopt a tax rate in an amount where the increment increase did not exceed 1.08 times the amount of tax imposed by operation and maintenance tax revenue collected during the 2024 tax year. Ms. Adams reminded the Board that the District was determined to be a developing district in 2024.

Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to determine to classify the District as a developing district for tax rate calculation purposes.

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

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

Mr. Hoang reported that the Board accepted the bid from ISJ Underground Utilities, LLC ("ISJ") with a contract amount of \$710,566.50 for the construction of the emergency interconnect with Montgomery County Utility District No. 2 (the "Interconnect Project"). Mr. Hoang then reported ISJ furnished the required bonds and insurance certificates, signed the agreement and returned same for District approval and that RAB reviewed the bonds and insurance certificates for same. Mr. Hoang then stated that, following approval of the construction agreement, Langford would coordinate with ISJ, the Operator and MCUD No. 2 to schedule a pre-construction meeting and determine a construction state date.

Mr. Hoang then reported that the Wastewater Treatment Plant ("STP") improvement project design phase was ongoing and that Langford was awaiting regulatory agency reviews and approvals. Mr. Hoang noted that the updated construction cost estimate was attached to the Engineer's Report. Mr. Hoang reported that Langford would request authorization to advertise for bids for the construction of the STP improvement project at the August 14, 2025 Board meeting.

Mr. Holland exited the meeting at this time.

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 Engineer's Report; and 2) approve and authorize execution of the construction agreement with ISJ for the Interconnect Project.

8. **Adopt Resolution Authorizing Use of Surplus Capital Project Funds ("Surplus Funds Resolution") for fence replacement at Lift Station No. 10 and wet well lift pump installation at Lift Station No. 14.** Ms. Adams reminded the Board that it accepted proposals for the fence repair at Lift Station No. 10 and wet well lift pump installation at Lift Station No. 14. Ms. Adams then reviewed with the Board the Surplus Funds Resolution outlining the funding for such projects. A discussion ensued regarding costs for necessary repairs and upgrades to the security system at Lift Station No. 14. Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Surplus Funds Resolution, to also include the repairs and upgrades to the Lift Station No. 14 security system.

9. **Operations Report.** Mrs. Donohoe reviewed the Operations Report, a copy of which is attached hereto. Mrs. Donohoe reported that the District had 844 connections and a 96.37% water accountability ratio for the period ending June 20, 2025.

Mr. Torres then presented to the Board two (2) proposals from JLS Real Estate ("JLS"), a subcontractor to MMIA, to replace the fence at Lift Station No. 9, copies of which are attached hereto. A discussion ensued regarding the underlying cinder block fencing at same and why such material was used. Upon motion by Director Bock, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the bid from JLS to replace the fence at Lift Station No. 9 with galvanized pipe and treated pine in the amount of \$14,733.00.

Mr. Torres then presented to the Board a proposal from PM Utility Services ("PM") to repair the security system at Lift Station No. 14 due to copper theft in the amount of \$9,550.00. Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to accept the proposal from PM to repair the security system at Lift Station No. 14 in the amount of \$9,550.00.

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

10. **General Maintenance of District Administration Building.** A discussion ensued regarding the ceiling tile texture.

11. **District facility landscape matters.** There was nothing to report at the time.

12. **Authorize attendance at Association of Water Board Directors-Texas ("AWBD") Fall Seminar and Mid-Winter Conference.** The Board then discussed authorizing the Directors' attendance at the AWBD Fall Seminar and Mid-Winter Conference in Houston, Texas on January 23-24, 2026. Upon motion by Director Kuhl, seconded by Director Cutler, and after full discussion with all Directors present voting aye, the Board voted unanimously to authorize the Director's attendance at the AWBD Fall Seminar and Mid-Winter Conference.

13. **Attorney's Report.** Ms. Adams reported that RAB and another public law firm had partnered to create a joint firm, Richardson Adams Barner LP, but that nothing has changed to alter the District's engagement of RAB as RAB was still in existence. Ms. Adams also noted that RAB would be moving offices later in the year.

14. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:07 p.m.

Passed and approved this 14th day of August, 2025.


Asst. Secretary, Board of Directors

