

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

August 14, 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, August 14, 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:

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| 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, 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. Tim Hardin, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; and Mr. Bill Blitch of Blitch Associates, Inc. ("Blitch" or the "Financial Advisor"), financial advisor for the District. Also in attendance were: Messrs. Tim Janisse and Rachel Rost, District residents.

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.** Mr. Janisse stated that Lift Station No. 9 had recently caused issues due to an alarm setting off during heavy rains. Mr. Janisse noted that the Operator has been responsive when he reported the issues, but was addressing the Board to find a permanent resolution. Messrs. Torres and Hardin then reviewed with the Board and District residents the layout and flow of sewage through the District's sanitary sewer system. A discussion ensued regarding the electrical power to Lift Station No. 9.

Mr. Blitch entered the meeting at this time.

Messrs. Hardin and Torres stated they would evaluate the electrical panel and water well pumps at Lift Station No. 9. Mr. Hardin noted he would also speak with Langford's electrical engineer regarding monitoring the power at Lift Station No. 9.

The District residents exited the meeting at this time.

2. **Minutes.** The Board considered approval of the minutes of the July 10, 2025 regular Board meeting. 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 minutes of the July 10, 2025 regular Board meeting.

3. **Tax Assessor/Collector's Report.** On behalf of Ms. Tammy McRae, the Montgomery County Tax Assessor/Collector, The Board reviewed the July Tax Assessor/Collector's Report, a copy of which is attached hereto.

4. **Review 2025 certified values and hear Financial Advisor's tax rate recommendation, establish 2025 tax rate public hearing date and authorize publication of same.** Mr. Blich then distributed copies of the 2025 tax rate recommendation to the Board, a copy of which is attached hereto. After some discussion with the Board, Mr. Blich recommended a proposed total ad valorem tax rate of \$0.61 per \$100 assessed valuation, comprised of \$0.295 per \$100 assessed valuation for debt service purposes and \$0.315 per \$100 assessed valuation for operation and maintenance purposes.

Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize the publication of the proposed 2025 tax rate of \$0.61 per \$100 assessed valuation consisting of \$0.295 per \$100 valuation for debt service purposes and \$0.315 per \$100 valuation for operation and maintenance purposes, in the *Courier of Montgomery County*, and schedule the public tax hearing to be held on September 11, 2025 at 5:00 p.m. at the District's office.

5. **Attorney's Report, including review of the 89th Texas Legislature.** Ms. Adams presented to the Board a memorandum regarding the 89th Texas Legislature.

Mr. Blich exited the meeting at this time.

Ms. Adams noted various bills that directly impacted the District. Ms. Adams stated she would further review the memorandum and answer any questions from the Board at the September 11, 2025 Board meeting.

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.

Ms. Adams exited the meeting at this time.

Upon motion by Director Kuhl, 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. **Delinquent Tax Attorney's Report.** There was nothing to report at the time.

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

Ms. Adams re-entered the meeting via teleconference at this time.

Mr. Hardin reported that Langford was contacted by a DPK Engineering regarding a potential developer for the Walker Tract.

Mr. Hardin then reminded the Board that it 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. Hardin reported that a pre-construction meeting was conducted on July 22, 2025. Mr. Hardin also reported that ISJ was completing a schedule and Work Order to be issued based upon contractor availability, but not later than August 22, 2025.

Mr. Hardin then reported that the Wastewater Treatment Plant ("STP") improvement project design phase was complete and that the Preliminary Opinion of Project Costs was attached to the Engineer's Report. Mr. Hardin requested Board authorization to advertise for bids for the STP improvement project.

In response to a question from Director Bock, Mr. Hardin reviewed how Langford prepared opinions of project costs.

An extensive discussion ensued regarding monitoring the electrical power at Lift Station No. 9.

Ms. Adams exited the meeting at this time.

Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted unanimously to: 1) approve the Engineer's Report; and 2) authorize advertisement for bids for the STP improvement project.

9. **Adopt Resolution Authorizing Use of Surplus Capital Project Funds ("Surplus Funds Resolution") for fence replacement at Lift Station No. 9.** Ms. Rodriguez reminded the Board that it previously accepted a proposal for the fence repair at Lift Station No. 9 the cost of which was to be funded by surplus bond funds. Ms. Rodriguez then presented to the Board the Surplus Funds Resolution. Upon motion by Director Bock, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to adopt the Surplus Funds Resolution.

10. **Operations Report.** Mrs. Donohoe reviewed the Operations Report, a copy of which is attached hereto. Mrs. Donohoe reported that the District had 845 connections and a 96.23% water accountability ratio for the period ending July 21, 2025.

Mr. Torres then presented to the Board three (3) proposals from JLS Real Estate ("JLS"), a subcontractor to MMIA, to replace the fence at Lift Station No. 14, copies of which are attached hereto. A discussion ensued regarding the various fencing materials. Further discussion ensued regarding the recent trespass upon Lift Station No. 14 resulting in the fence damage. It was the consensus of the Directors to repair the damaged portion of the fence rather than replace the entire fence.

A discussion ensued regarding further securing Lift Station No. 14.

In response to a question from Director Cutler, Ms. Donohoe explained the cost differential between repairing and replacing the sewer lines. Ms. Donohoe explained that the Operator would continue to perform preventative maintenance on the sewer lines at a cost of approximately \$2,000.00 per year.

Upon motion by Director Kuhl, seconded by Director Bock, 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.

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

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

13. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:49 p.m.

Passed and approved this 11th day of September, 2025.


Asst. Secretary, Board of Directors

