

**FAR HILLS UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS MEETING**

**February 12, 2026**

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, February 12, 2026 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, 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; Mr. Sergio Torres of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Mr. Tim Hardin, P.E. and Ms. Shelby Chastun, E.I.T. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; and Mr. Bill Blich of Blich Associates, Inc. ("Blich" or the "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 5:02 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 January 8, 2026 regular Board meeting. Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the minutes of the January 8, 2026 regular Board meeting.
3. **Tax Assessor/Collector's Report.** On behalf of Ms. Tammy McRae, the Montgomery County Tax Assessor/Collector, Mr. Holland reviewed with the Board the January Tax Assessor/Collector's Report, a copy of which is 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's Report.

4. **Adopt Order Determining Ad Valorem Tax Exemptions.** The Board next considered adoption of the tax exemptions for the 2026 tax year, including homestead exemptions for those residents who are 65 years of age and older or disabled. Mr. Blich reviewed the homestead tax exemption study with the Board, a copy of which is attached hereto. Ms. Adams reminded the Directors that, in 2025, the Board granted a homestead exemption of \$30,000 for disabled persons or persons 65 years of age or older. Upon motion by Director Shelly, seconded by Director Cutler, and after full discussion with all Directors present voting aye, the Board voted unanimously to retain the same exemptions for 2026 as were approved in 2025, and adopt the Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto.

5. **Adopt Resolution Authorizing Petition Challenging Appraisal Records.** Ms. Adams then reviewed the Resolution Authorizing Petition Challenging Appraisal Records with the Board. Ms. Adams explained that such resolution would allow the Montgomery County (the "County") Tax Assessor/Collector, Ms. Tammy McRae, the District's tax assessor/collector, to represent the District in challenging certain categories of appraisal records with Montgomery Central Appraisal District ("MCAD"). Upon motion by Director Cutler, seconded by Director Shelly, and after full discussion with all Directors present voting aye, the Board voted unanimously to adopt the Resolution Authorizing Petition Challenging Appraisal Records, a copy of which is attached hereto.

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, and Billing/Collection Report, copies of which are attached hereto.

Director Kuhl entered the meeting at this time.

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.

8. **Discuss insurance renewal and authorize obtaining proposal(s) (expires April 6, 2026).** Director Kuhl reviewed with the Board the District's current insurance coverages and the need to procure proposal(s) for the upcoming insurance year. Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to unanimously to authorize Director Kuhl to obtain an insurance proposal from Arthur J. Gallagher for the 2026-2027 insurance year.

9. **Authorize Engineer to prepare updated values for insurance purposes.** Mr. Hardin reported that the preadjusted property values increased by four percent (4%). A discussion ensued regarding District facilities and systems covered by insurance. Mr. Hardin stated that he would inquire about insurance coverage for the emergency water interconnect meter and vault.

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

Mr. Hardin reported on the construction of the emergency interconnect with Montgomery County Utility District No. 2 ("MCUD No. 2") (the "Interconnect Project"). Mr. Hardin presented to the Board Pay Estimate ("PE") No. 4 in the amount of \$33,871.95 from ISJ Underground Utilities, LLC ("ISJ") for work performed on the Interconnect Project through January 23, 2026, a copy of which is attached to the Engineer's Report. Mr. Hardin then reported on the status of the construction of the Interconnect Project, noting that construction was completed and connections were made. Mr. Hardin noted that restoration was still ongoing.

With regard to the Wastewater Treatment Plant ("STP") improvement project (the "STP Project"), Mr. Hardin reported that Langford was reviewing contractor submittals and that construction would commence following the submittal and procurement phases.

Mr. Hardin then reviewed with the Board the 2026 Engineering Services Hourly Rate Sheet, 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: 1) approve the Engineer's Report; 2) approve PE No. 4 from ISJ in the amount of \$33,871.95 for the Interconnect Project; and 3) accept the 2026 Engineering Services Hourly Rates.

11. **Request from Lake Conroe RV Campground, LLC d/b/a RJourney, LLC ("RJourney") regarding payment for pro rata share of STP improvements.** Ms. Adams reviewed with the Board communications between RJourney and District consultants subsequent to RJourney's receipt of the invoice for its pro rata share of the STP improvement costs. Ms. Adams reported that RJourney submitted a proposed twelve (12) month payment plan for such costs. An extensive discussion ensued. It was the consensus of the Directors to counter offer a one-time nine (9) month payment plan at the then-current Texpool interest rate with additional stipulations, such as RJourney remaining current on all quarterly sewer service invoice payments. Upon motion by Director Bock, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize RAB to prepare the Letter Agreement with RJourney, as discussed, and authorize the President to execute same.

Mr. Blich exited the meeting at this time.

12. **Operations Report.** Mr. Torres reviewed the Operations Report, a copy of which is attached hereto. Mr. Torres reported that the District had 852 connections and a 99.09% water accountability ratio for the period ending January 19, 2026.

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

13. **Review San Jacinto River Authority ("SJRA") Rate Amendments, as necessary.** The Directors had no further comment after their review of the Memorandum regarding the Global Amendment to SJRA's Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services.

14. **General Maintenance of District Administration Building, including flagpole relocation.** Director Kuhl presented to the Board two (2) proposals for the flagpole relocation. Director Kuhl noted that the lowest bid was from Kronberg's Flags and Flagpoles ("Kronberg's") in the amount of \$1,455.00, a copy of which is 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 accept the proposal from Kronberg's in the amount of \$1,455.00 for the flagpole relocation.

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

16. **Attorney's Report, including annual review of Covered Applications Prohibition Policy (the "Amended Covered App Resolution").** Ms. Adams reviewed with the Board the Amended Covered App Resolution, a copy of which is attached hereto. Ms. Adams noted that, as of February 4, 2026, the Texas Governor amended the list of prohibited applications and software. 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 Amended Covered App Resolution.

17. **Authorize attendance at the Association of Water Board- Texas ("AWBD") Spring Breakfast and Summer Conference.** Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize attendance at the AWBD Spring Dinner and Summer Conference.

18. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:15 p.m.

Passed and approved this 12<sup>th</sup> day of March, 2026.



  
Secretary, Board of Directors