

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

**March 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, March 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" or "MCI"), bookkeeper for the District; Ms. Erica Donohoe and 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 Blicht of Blicht Associates, Inc. ("Blicht" or the "Financial Advisor"), financial advisor for the District. Also in attendance were Messrs. Roy Zboyan and George Nixon, members of the public.

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. Nixon stated that a contractor who performed work on the construction of the emergency interconnect with Montgomery County Utility District No. 2 ("MCUD No. 2") (the "Interconnect Project") was unprofessional and removed the fence on their property adjacent to the District (the "Fence"). Mr. Nixon also referred to several other construction related matters that did not fall under the jurisdiction of the District.

Mr. Hardin entered the meeting at this time.

Mr. Nixon went on to state that the contractor damaged the property and utilized the pond for fishing without permission. Mr. Nixon then reviewed with the Board an estimate to replace the entirety of the Fence in the amount of \$30,000.00.

Mr. Hardin explained that the Fence was located within the Montgomery County right-of-way and a portion had to be removed to install the water lines for the Interconnect Project but was put back in place upon completion of the construction work in that area. Mr. Hardin provided his contact information to Messrs. Zboyan and Nixon. The Board also noted that if the District needed to access its waterline for repairs or other work, it could and would remove said fence and had no obligation to replace it.

Messrs. Zboyan and Nixon exited the meeting at this time.

2. **Minutes.** The Board considered approval of the minutes of the February 12, 2026 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 12, 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 February Tax Assessor/Collector's Report, a copy of which is 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 approve the Tax Assessor/Collector's Report.

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

5. **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 reported that the District received two (2) payments from Lake Conroe RV Campground, LLC d/b/a RJourney, LLC ("RJourney") for its pro-rata share of the Wastewater Treatment Plant ("STP") improvement project (the "STP Project"), pursuant to the Letter Agreement with RJourney.

Mr. Holland presented to and reviewed with the Board the proposed Amended and Restated Agreement for Bookkeeping Services with MCI, 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: 1) approve the Bookkeeper's Report; 2) authorize payment of the bills reflected therein, as presented; and 3) approve the Amended and Restated Agreement for Bookkeeping Services with MCI.

6. **Review and accept insurance proposal.** Director Kuhl reviewed with the Board the insurance proposal from Arthur J. Gallagher Risk Management Services, Inc. ("AJG") and recommended accepting same. Upon motion by Director Bock, 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 of \$40,449.00.

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

Director Cutler entered the meeting at this time.

Mr. Hardin reported on the construction of the Interconnect Project. Mr. Hardin stated that there was no Pay Estimate ("PE") for the Interconnect Project for the Board's consideration at the time. Mr. Hardin noted that restoration was still ongoing and the punch list items were not complete.

An extensive discussion ensued regarding replacement of the Fence and the District's various options. It was the consensus of the Board to transmit correspondence to the property owner, as evidenced by Montgomery Central Appraisal District records, reiterating that the District was not liable or responsible for the replacement of the Fence due to the Fence being in the right-of-way and that the Fence should be relocated outside of the right-of-way by the property owner to prevent site conflicts in the future. There was further discussion regarding the quality of the contractor's work regarding the Fence replacement. 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 RAB to correspond with the property owner regarding the disposition of the Fence, as discussed.

Ms. Adams exited the meeting at this time.

With regard to the STP Project, Mr. Hardin reported that the work had commenced and reviewed photographs of the progress, copies of which are attached hereto. Mr. Hardin then presented to the Board PE No. 1 from Sustanite Support Services, LLC ("Sustanite") in the amount of \$42,750.00 for work completed through February 24, 2026, a copy of which is attached to the Engineer's Report. Mr. Hardin also presented to the Board Change Order ("CO") No. 1 from Sustanite in the additive amount of \$14,994.00 for surface preparation and application of coatings to the launder troughs in Clarifier No. 1, a copy of which is attached to the Engineer's Report.

Ms. Adams reentered the meeting via teleconference at this time.

Mr. Hardin then reviewed with the Board the District's Emergency Response Plan ("ERP"), a copy of which is attached hereto. Mr. Hardin reported that the District's ERP was updated to reference the Operator's procedures for various events and had been reviewed by the Operator and Attorney. Mr. Hardin asked if the Directors wanted to expand on the types of emergent situations covered by the ERP, and the Directors declined.

Upon motion by Director Bock, 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. 1 from Sustanite in the amount of \$42,750.00 for the STP Project; 3) approve CO No. 1 from Sustanite in the additive amount of \$14,994.00 for coating the launder troughs in Clarifier No. 1; and 4) approve the District's ERP.

Mr. Hardin exited the meeting at this time.

8. **Request from RJourney regarding payment for pro rata share of STP Project.** There was nothing further to report at the time.

9. **Operations Report.** Ms. Donohoe reviewed the Operations Report, a copy of which is attached hereto. Mr. Torres reported that the District had 852 connections and a 98.30% water accountability ratio for the period ending February 19, 2026.

Mr. Torres reported to the Board that there was a violation of the District's Discharge Permit which had to be self-reported to the Texas Commission on Environmental Quality (the "TCEQ"). A discussion ensued regarding the timing of the violation. Mr. Torres noted that he reported same to the TCEQ.

Mr. Torres went on to report that the pump at Lift Station No. 14 had been reinstalled and was working.

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 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, including flagpole relocation.** Director Kuhl stated that the sales tax was removed from the invoice from Kronberg's Flags and Flagpoles ("Kronberg's") for the flagpole relocation. Director Kuhl then updated on the Board on the status of the relocation, noting that the flagpole had not yet been installed and that it would include a new cable and flag.

11. **District facility landscape matters.** Director Cutler reviewed with the Board an AI-generated photograph of potential landscaping for the flagpole flower bed.

12. **Attorney's Report, including Arbitrage Rebate Calculations for the Interim Computation Period for Series 2022 Bonds Report and Arbitrage Rebate and Yield Restriction Compliance Services Program Report as of February 23, 2026 (collectively, the "Arbitrage Reports").** Ms. Adams reviewed with the Board the Arbitrage Reports and noted that the District had no tax liability.

13. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:41 p.m.

Passed and approved this 9<sup>th</sup> day of April, 2026.



  
Secretary, Board of Directors