FAR HILLS UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS MEETING

July 9, 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, July 9, 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, except Director Shelly, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams and Ms. Sarah Ibrahim, attorneys, 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. Erika Donohoe and Mr. Sergio Torres of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Ms. Shelby Chastun, E.I.T. 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.

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 5:01 p.m., and declared it open for such business as may come before the Board.

1. **Public comment.** There was no public comment.

2. **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 Cutler entered the meeting at this time.

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

3. **Tax Assessor/Collector's Report, including determine District's status as a developed or developing district under the Texas Tax Code.** On behalf of Ms. Tammy McRae, the Montgomery County Tax Assessor/Collector, Mr. Holland reviewed with the Board the June Tax Assessor/Collector's Report, a copy of which is attached hereto.

Ms. Adams then explained 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 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, if the Board determined 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 2025 tax year. Ms. Adams reminded the Board that the District was determined to be a developing district in 2025.

Upon motion by Director Kuhl, 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 and classify the District as a developing district for 2026 tax rate calculation purposes.

4. **Minutes.** The Board considered approval of the minutes of the June 11, 2026 regular Board meeting. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the minutes of the June 11, 2026 regular Board meeting.

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

6. **Status of payments from Lake Conroe RV Campground, LLC d/b/a RJourney, LLC ("RJourney") for pro rata share of Wastewater Treatment Plant ("STP") improvements (the "STP Project").** Ms. Adams noted that RJourney's payments for its pro rata share of the STP Project were current.

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

Ms. Chastun presented to the Board PE No. 5 from Sustanite Support Services, LLC ("Sustanite") in the amount of $66,285.00 for work completed through June 25, 2026, for the STP Project, a copy of which is attached to the Engineer's Report.

Ms. Chastun noted LEI had not received any further communications from Outscan Resources, a potential developer of the Walker Tract.

Ms. Chastun noted there was no update on the proposed five (5)-year Capital Improvement Plan update.

Ms. Chastun reported on the status of the STP Project. Ms. Chastun stated that Sustanite completed welding and repairs along the chlorine contact basin walls and blasted and recoated airline headers and upper portions of interior and exterior walls of the chlorine contact basin. Construction progress photographs are attached to the Engineer's Report.

Ms. Chastun then noted that the District's STP Texas Pollutant Discharge Elimination System ("TPDES") permit would expire in August 2027. Ms. Chastun reported that the TPDES permit renewal application was due 180 days prior to expiration and requested authorization for LEI to proceed with the TPDES permit renewal application.

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; 2) approve PE No. 5 in the amount of $66,285.00 from Sustanite for the STP Project; and 3) authorize LEI to proceed with the TPDES permit renewal application.

8. **Operations Report.** Mr. Torres reviewed the Operations Report, a copy of which is attached hereto. Mr. Torres reported that the District had 854 connections and a 93.61% water accountability ratio for the period ending June 19, 2026.

Mr. Torres reported the wiring in the Lift Station No. 14 ("LS No. 14") generator was stolen and recommended the Board consider replacing the copper wire with aluminum wire. Ms. Adams noted that any discussion regarding security matters related to this item would occur in Executive Session.

Mr. Torres then fielded questions from Director Cutler regarding sanitary sewer vactoring invoices.

In response to a question from Director Kuhl, Mr. Torres estimated the cost of repair of the damages to the LS No. 14 generator exceeded $10,000.00.

Upon motion by Director Bock, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the Operations Report and authorize termination of service to delinquent accounts in accordance with the provisions of the District's Rate Order.

9. **Review San Jacinto River Authority Global Amendment to Contract for Groundwater Reduction Planning, Alternative Water Supply, and Related Goods and Services, and take any necessary actions on same.** This matter was tabled as the District had not received the proposed amendment documentation.

10. **General Maintenance of District Administration Building/site matters.** Director Haymon requested that another Director open the District Administration Building for a homeowner's association meeting the following week.

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 discussed authorizing the Directors' attendance at the AWBD Fall Seminar and Mid-Winter Conference in Austin, Texas on January 22-23, 2027. Upon motion by Director Bock, 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 stated she had nothing further to report.

14. **Election Agenda.** The Board discussed the November 3, 2026 Directors Election (the "Election"). Ms. Adams noted that Directors Haymon, Kuhl and Bock's terms of office were expiring.

Ms. Adams then reviewed with the Board the Joint Elections Agreement and Election Services Agreement (the "Election Agreements") from Montgomery County (the "County") for the District's Election. Ms. Adams explained the purpose of the Election Agreements were to authorize the County to conduct the District's Election in conjunction with the County's election (the "Joint Election") unless the District's Election was cancelled. Ms. Adams then reported that, if the District's Election was not cancelled, the District would be required to submit payment to the County in connection with the administration of the Joint Election. Upon motion by Director Kuhl, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve and authorize execution of the Election Agreements and payment to the County for the Joint Election, if necessary.

15. **Executive Session.** Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Sections 551.076 and 551.0761 regarding security device matters and critical infrastructure, Director Haymon convened the Board in Executive Session at 5:32 p.m. The persons present in the Executive Session were all the members of the Board present, Ms. Adams, Ms. Ibrahim, Ms. Rodriguez, Ms. Donohoe, and Mr. Torres.

All meeting attendees still present re-entered the meeting at 6:09 p.m. and Director Haymon reconvened the meeting in open session, at which time the Board took the following action:

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 Operator to take action related to the LS No. 14 generator, as discussed in Executive Session.

16. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 6:09 p.m.

Passed and approved this 13th day of August, 2026.

Assistant Secretary, Board of Directors

(DISTRICT SEAL)