

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

September 10, 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, September 10, 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 Directors Shelly and Bock, 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, 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.

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.** There was no public comment.
2. **Minutes.** The Board considered approval of the minutes of the August 13, 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 August 13, 2026 regular Board meeting.
3. **Election Agenda.** Ms. Adams then reviewed with the Board the status of the November 3, 2026 Directors Election (the "Election").

Ms. Adams then presented the Order Declaring Unopposed Candidates Elected to Office and Cancelling the November 3, 2026 Directors Election (the "Order Canceling Election") for the Board's approval, a copy of which is attached hereto. Ms. Adams explained that since the candidates to be listed on the ballot for the 2026 Directors Election (Directors Haymon, Kuhl and Bock) were unopposed, the District was required to cancel the election.

Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Cancelling Election, thereby declaring Directors Haymon, Kuhl and Bock each elected to office for four (4) year terms to expire in November 2030. Ms. Adams noted that a copy of the Order Cancelling Election would be posted in the District on Election Day, as required by the Texas Election Code.

4. **Public hearing on proposed 2026 tax rate.** Director Haymon next called the public hearing on the 2026 tax rate to order, notice of which was published as required by law in the *Courier of Montgomery County*. There being no public comment, Director Haymon adjourned the public hearing on the proposed 2026 tax rate at 5:02 p.m.

5. **Adopt Order Setting Rate and Levying Tax for 2026 (the "Tax Rate Order").** The Board then considered adoption of the Tax Rate Order. Upon motion by Director Cutler, seconded by Director Kuhl, and after full discussion with all Directors present voting aye in a roll call vote, the Board voted unanimously to adopt the Tax Rate Order, with a total ad valorem tax rate of \$0.58 per \$100 assessed value for tax year 2026, comprised of \$0.265 per \$100 assessed valuation for debt service purposes and \$0.315 per \$100 assessed valuation for operation and maintenance purposes for the Fiscal Year Ending ("FYE") December 31, 2027. A copy of the Tax Rate Order is attached hereto.

6. **Approve Amended and Restated District Information Form ("DIF").** Ms. Adams then reviewed the DIF with the Board, a copy of which is attached hereto. Ms. Adams noted the DIF was required to be amended to include the 2026 tax rate and was to be recorded in the Montgomery County Real Property Records (the "MCRPR"), filed with the Texas Commission on Environmental Quality (the "TCEQ") and posted on the District's website. Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to approve the DIF and authorize RAB to record same in the MCRPR, file with the TCEQ and post on the District website, as required by law.

7. **Tax Assessor/Collector's Report.** On behalf of Ms. Tammy McRae, the Montgomery County Tax Assessor/Collector, Mr. Holland reviewed with the Board the August 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 approve the Tax Assessor/Collector's Report.

8. **Delinquent Tax Attorney's Report.** Ms. Adams reviewed with the Board the Delinquent Tax Attorney's Report, a copy of which is attached hereto, and recommended the Board conduct its public hearing regarding water termination for non-payment of 2025 delinquent taxes at the October 8, 2026 Board meeting. Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to set the public hearing for water terminations for non-payment of 2025 delinquent taxes for October 8, 2026 at 5:00 p.m. and authorize distribution of notice of same to the delinquent taxpayers.

9. **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.

10. **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 then-current.

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

Ms. Chastun presented to the Board Pay Estimate ("PE") No. 7 from Sustanite Support Services, LLC ("Sustanite") in the amount of \$109,080.00 for work completed through August 25, 2026, for the STP Project, a copy of which is attached to the Engineer's Report. Ms. Chastun also presented to the Board Change Order ("CO") No. 2 from Sustanite in the additive amount of \$40,800.00 for additional structural support brace replacement in Aeration Basin ("AB") Nos. 1 and 2.

Ms. Chastun reported on the status of the STP Project. Ms. Chastun noted that Sustanite completed the repairs to AB No. 1, including replacement of the top bracing, and returned the unit to service. Ms. Chastun then reported that Sustanite began repairs and rehabilitation to AB No. 2.

Ms. Chastun went on to report that Langford would begin the site suitability study for the Water Well No. 7 ("WW No. 7") Project upon Board authorization, noting the study would take 90 to 180 days, depending upon scope. Ms. Chastun noted that the approximate cost to prepare the site suitability study was \$20,000.00.

Ms. Chastun then noted that the District's STP Texas Pollutant Discharge Elimination System ("TPDES") permit would expire in August 2027 and Langford was preparing the TPDES permit renewal application, which was due February 25, 2027. Ms. Chastun stated that Langford would obtain effluent samples after the STP was fully returned to service.

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: 1) the Engineer's Report; 2) PE No. 7 in the amount of \$109,080.00 and CO No. 2 in the additive amount of \$40,800.00 from Sustanite for the STP Project; and 3) authorize Langford to prepare the site suitability study for the WW No. 7 Project.

12. **Operations Report.** Ms. Donohoe reviewed the Operations Report, a copy of which is attached hereto. Ms. Donohoe reported that the District had 857 connections and a 99.69% water accountability ratio for the period ending August 20, 2026.

Ms. Donohoe then reviewed with the Board correspondence from a customer requesting the Board waive their \$250.00 deposit for water and sewer services. It was the consensus of the Directors to take no action on this matter.

In response to a question from Director Cutler, Mr. Torres noted that no recent water pressure adjustments were made at the Water Plant, but that usage and demand had increased.

Upon motion by Director Cutler, 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.

13. **General Maintenance of District Administration Building/site matters.** Mr. Torres presented to the Board a proposal from F-Air in the amount of \$325.00 annually for HVAC maintenance services, 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 proposal from F-Air for HVAC maintenance services in the amount of \$325.00 annually.

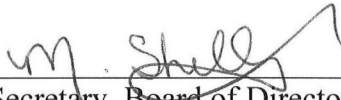
14. **District facility landscape matters.** There was nothing to report at the time.

15. **Attorney's Report.** Ms. Adams reported that RAB was preparing a report pursuant to House Bill 3526, 89th Texas Legislature, for submission to the Texas Bond Review Board regarding the District's unissued bonds.

16. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 5:31 p.m.

Passed and approved this 8th day of October, 2026.




Secretary, Board of Directors