FAR HILLS UTILITY DISTRICT
NOTICE OF MEETING OF THE BOARD OF DIRECTORS

NOTICE IS HEREBY GIVEN that the Board of Directors (the "Board") of Far Hills Utility District (the "District") will meet in regular session open to the public on **Thursday, November 12, 2026,** at **5:00 p.m.**, at **the District Administration Building, 10320 Cude Cemetery Road, Willis, Montgomery County, Texas 77318,** within the boundaries of the District. The subject of and matters to be considered and acted upon at such meeting will include the following:

PLEDGE ALLEGIANCE TO THE UNITED STATES NATIONAL ENSIGN.

A. PUBLIC COMMENT *(Public comment shall be limited to 3 minutes per member of the public)*

B. REGULAR AGENDA:

1. Approve the October 8, 2026 regular meeting minutes
2. Tax Assessor/Collector's Report
3. Delinquent Tax Attorney's Report
4. Bookkeeper's Report
   a. Financial report and payment of bills
   b. Investment Report and Budget Summary
   c. Energy Usage Report
   d. Billing/Collection Report
   e. Proposed Fiscal Year Ending December 31, 2027 Budget
5. Engineer's Report
   a. Pay estimates, change orders and certificates of completion for construction projects
   b. Request(s) for service and/or potential annexation requests
   c. Status of construction of Wastewater Treatment Plant ("STP") improvements
   d. Status of preparation of Water Well No. 7 site suitability study
   e. Status of preparation and filing of the STP Texas Pollutant Discharge Elimination System Permit renewal application with Texas Commission on Environmental Quality
6. Operations Report
   a. Water Plant and STP operations
   b. Repairs and maintenance to District facilities, including status of security upgrades for same
   c. Termination of service and/or write-off of delinquent accounts
   d. Customer correspondence and take necessary actions on same
7. Pending claims against the District, if any, and take any necessary actions on same
8. General District Administration Building/site matters
9. District facilities landscape matters
10. Attorney's Report, including review Attorney Fee Agreement Rate Amendment for General Counsel Services

C. EXECUTIVE SESSION, AS NECESSARY:

1. Pursuant to Chapter 551, Texas Government Code, Subchapter D to discuss matters relating to attorney-client privilege, litigation, security, real estate and/or cybersecurity/critical infrastructure matters
2. Reconvene in Open Session
3. Vote on matters considered in Executive Session, if any

(DISTRICT SEAL)

President, Far Hills Utility District

* Members of the public and/or District consultants may attend the Board meeting via teleconference if they so choose, at **713.955.6338, Access Code 237-1223.**

FAR HILLS UTILITY DISTRICT
Proposed/Adopted Budget 2026
10/08/26 **2nd DRAFT**

Revenue :	2026 Budget	Actual YTD	1 Budget MTD	9 months Budget YTD	Projected	PROPOSED 2027 Budget	variance	percentage
Water Revenue	**335,000.00**	286,616.83	27,916.67	251,250.00	382,155.77	**378,000.00**	40,000.00	
Sewer Revenue	**345,000.00**	274,000.24	28,750.00	258,750.00	385,573.65	**357,000.00**	12,000.00	
New connect/Reconnect Fee	**15,000.00**	16,782.70	1,250.00	11,250.00	22,376.93	**17,000.00**	2,000.00	
Penalty & Interest	**6,500.00**	5,253.56	541.67	4,875.00	7,004.75	**6,500.00**	0.00	
SJRA Fee Revenue	**8,800.00**	5,779.80	733.33	6,600.00	7,706.13	**8,800.00**	0.00	
Interest Earned	**175,000.00**	200,711.52	14,583.33	131,250.00	267,615.36	**225,000.00**	50,000.00	
Miscellaneous	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
Water/Sewer Revenue-WGB RV	**27,000.00**	23,901.23	2,250.00	20,250.00	31,868.31	**30,000.00**	3,000.00	
Otr Billing WGB Park	**10,000.00**	20,391.73	833.33	7,500.00	27,188.97	**18,000.00**	8,000.00	
Trans from CA-WWTP Lease	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
Maintenance Tax	**1,199,831.00**	1,200,647.58	99,960.92	899,648.25	1,600,863.41	**1,340,000.00**	140,468.00	Per BB 10/10/2
Tap Connections	**35,000.00**	42,005.00	2,916.67	26,250.00	56,006.67	**35,000.00**	0.00	
	2,156,831.00	2,076,119.97	179,735.92	1,617,623.25	2,788,159.96	**2,412,300.00**	255,468.00	11.84%

Expenses :	Annual $	Actual YTD	Budget MTD	Budget YTD	Projected	Annual $	variance	
Engineering-TPDS Permit renewal	**0.00**	0.00	0.00	0.00	0.00	**35,000.00**	35,000.00	
Director Fees	**19,000.00**	16,040.00	1,583.33	14,250.00	21,386.67	**21,000.00**	2,000.00	
Sec/Monthly Minutes	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
Payroll Tax	**1,500.00**	715.41	125.00	1,125.00	953.89	**1,500.00**	0.00	
Legal Fees	**59,000.00**	39,419.38	4,916.67	44,250.00	52,559.19	**59,000.00**	0.00	
Legal Fees -Special	**500.00**	1,230.73	41.67	375.00	1,640.97	**500.00**	0.00	
Legal -Election	**5,000.00**	1,767.27	416.67	3,750.00	2,356.36	**500.00**	(4,500.00)	
Election Expense	**15,000.00**	881.85	1,250.00	11,250.00	775.80	**0.00**	(15,000.00)	Per Regina
Publication Legal Notices	**5,000.00**	0.00	416.67	3,750.00	0.00	**5,000.00**	0.00	
Audit	**23,000.00**	23,250.00	1,916.67	17,250.00	23,250.00	**25,000.00**	2,000.00	
Engineering-WWTP Improvements	**75,000.00**	**42,179.57**	**6,250.00**	**56,250.00**	**56,239.55**	**25,000.00**	**-50,000.00**	
Engineering	**67,000.00**	34,142.73	5,583.33	50,250.00	45,523.64	**67,000.00**	0.00	
Lab Expenses-WTR	**8,000.00**	5,880.71	666.67	6,000.00	7,862.28	**8,000.00**	0.00	
Lab Expenses-SWR	**29,000.00**	24,710.00	2,416.67	21,750.00	32,946.67	**32,000.00**	3,000.00	
Permit Fees	**9,000.00**	0.00	750.00	6,750.00	0.00	**9,000.00**	0.00	
Operator Fees	**80,000.00**	58,177.62	5,000.00	45,000.00	77,570.16	**89,000.00**	29,000.00	
Operator-Billing Fees	**17,000.00**	480.00	1,416.67	12,750.00	640.00	**0.00**	(17,000.00)	
Operator Admin Fees	**12,000.00**	0.00	1,000.00	9,000.00	0.00	**0.00**	(12,000.00)	
Operator Fees-WWTP	**35,000.00**	20,206.00	2,916.67	26,250.00	26,941.33	**35,000.00**	0.00	
Bookkeeping/Mgr Fees	**39,000.00**	30,737.50	3,250.00	29,250.00	40,983.33	**43,800.00**	4,800.00	
Office Exp/Bank Chgs.	**40,000.00**	7,260.61	3,333.33	30,000.00	9,680.81	**9,500.00**	(30,500.00)	
R & M-WWTP/Dumpster	**81,000.00**	103,248.41	6,750.00	60,750.00	137,664.55	**130,000.00**	49,000.00	
Rep. & Maint-L/S & Sewer	**200,000.00**	119,877.31	16,666.67	150,000.00	119,877.31	**140,000.00**	(60,000.00)	
Rep. & Maint-WTR & General	**158,000.00**	108,146.59	13,166.67	118,500.00	108,146.59	**150,000.00**	(8,000.00)	
Rep. & Maint-Admin Bldg	**17,000.00**	4,696.09	1,416.67	12,750.00	4,696.09	**12,000.00**	(5,000.00)	
R&M-WWTP Improvements	**850,000.00**	**824,039.06**	**70,833.33**	**637,500.00**	**824,039.06**	**250,000.00**	**(600,000.00)**	
Rep. & Maint-SS-Smoke Test	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
R & M - Flushing.	**3,000.00**	0.00	250.00	2,250.00	0.00	**3,000.00**	0.00	
R & M - Landscaping/mowing	**8,000.00**	4,945.00	666.67	6,000.00	6,593.33	**8,000.00**	0.00	
R & M - Office Bldg cleaning	**3,200.00**	2,280.00	266.67	2,400.00	3,040.00	**3,500.00**	300.00	
Sludge Removal	**44,000.00**	85,934.25	3,666.67	33,000.00	114,579.00	**95,000.00**	51,000.00	
Inspection Fees-special	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
Water Tap Expense	**25,000.00**	21,060.00	2,083.33	18,750.00	28,080.00	**25,000.00**	0.00	
Sewer Tap Expense	**15,000.00**	0.00	1,250.00	11,250.00	0.00	**15,000.00**	0.00	
Water/Sewer Inspects	**7,000.00**	4,640.00	583.33	5,250.00	6,186.67	**7,000.00**	0.00	
Water Meter Replacements	**47,000.00**	0.00	3,916.67	35,250.00	0.00	**47,000.00**	0.00	
Chemicals-Water	**25,000.00**	27,568.90	2,083.33	18,750.00	36,758.53	**40,000.00**	15,000.00	
Chemicals-Sewer	**15,000.00**	13,343.34	1,250.00	11,250.00	17,791.12	**18,000.00**	3,000.00	
R & M-District Fence	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	
Utilities-Off/Whse	**5,000.00**	2,897.89	416.67	3,750.00	3,863.85	**5,000.00**	0.00	
Utilities-WP	**34,000.00**	18,344.66	2,833.33	25,500.00	24,459.55	**34,000.00**	0.00	
Utilities-L/S	**15,000.00**	9,057.33	1,250.00	11,250.00	12,076.44	**15,000.00**	0.00	
Utilities-WTTP	**47,000.00**	32,107.69	3,916.67	35,250.00	42,810.25	**47,000.00**	0.00	
Telephone	**6,300.00**	4,004.00	525.00	4,725.00	5,338.67	**6,300.00**	0.00	
Insurance & Bonds	**40,000.00**	40,449.00	3,333.33	30,000.00	40,449.00	**50,000.00**	10,000.00	
Travel Expense	**10,000.00**	4,425.47	833.33	7,500.00	5,900.63	**10,000.00**	0.00	
SJRA-Lone Star Gr-QTR fees	**15,000.00**	385.00	1,250.00	11,250.00	513.33	**8,000.00**	(7,000.00)	
SJRA Fees	**4,000.00**	107.29	333.33	3,000.00	143.05	**4,000.00**	0.00	
TCEQ Fees	**10,000.00**	3,270.76	833.33	7,500.00	4,361.00	**10,000.00**	0.00	
Security Monitoring/Cameras	**6,000.00**	0.00	500.00	4,500.00	0.00	**6,000.00**	0.00	
Financial Advisor	**0.00**	0.00	0.00	0.00	0.00	**0.00**	0.00	
Meter Program (10 YR) Lease	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	
Contingency	**5,000.00**	0.00	416.67	3,750.00	0.00	**5,000.00**	0.00	
Computer/Internet expense	**7,500.00**	1,409.54	625.00	5,625.00	1,879.39	**7,500.00**	0.00	
Misc./Org Dues/IRS Notif	**2,200.00**	2,489.24	183.33	1,650.00	3,318.99	**3,000.00**	800.00	
	2,224,200.00	1,745,522.30	185,350.00	1,668,150.00	1,953,877.05	**1,620,100.00**	(641,100.00)	-28.82%
Net Surplus or (Deficit)	**(67,369.00)**	330,597.67			814,282.91	**792,200.00**	859,569.00	-1275.91%

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Far Hills UD

TAXPAYER IMPACT STATEMENT

	2025 Adopted Tax Rate	2026 NNR Tax Rate	2026 Adopted Tax Rate
Total Tax Rate (per $100 of value)	$0.6100	$0.3151	$0.5800
Median Homestead Taxable Value	341,518	370,186	370,186
Tax on Median Homestead	$2,083.26	$1,166.46	$2,147.08

The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to $0.315 per $100 assessed valuation. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance trax revenues stated in the applicable budget.

The No-New-Revenue tax on a median homestead estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget genreates the same amount of operations and maintenance tax revenues as the current budget.