FAR HILLS UTILITY DISTRICT

MINUTES OF BOARD OF DIRECTORS MEETING

October 8, 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, October 8, 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 Bock, 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. Erika 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, P.E. of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; and Mr. Greg East of Perdue Brandon Fielder Collins & Mott, L.L.P. ("PBFCM" or "Delinquent Tax Attorney"), delinquent tax attorney 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 September 10, 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 September 10, 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 September Tax Assessor/Collector's Report, a copy of which is attached hereto.

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 Tax Assessor/Collector's Report.

4. **Delinquent Tax Attorney's Report.** Ms. Adams reviewed with the Board the Delinquent Tax Attorney's Report, a copy of which is attached hereto.

The President called the public hearing for termination of water service for non-payment of delinquent tax accounts to order. The President invited anyone to speak on the matter and noted that there were no parties present to offer public comment. Ms. Adams noted that there were seven (7) accounts recommended for termination of service. The public hearing was closed.

Upon motion by Director Cutler, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize termination of service to eligible delinquent tax accounts.

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.

Mr. East entered the meeting at this time.

Upon motion by Director Shelly, 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.

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 final payment for its pro rata share of the STP Project was received.

7. **Delinquent Tax Attorney's Report (continued).** Mr. East further reviewed with the Board the Delinquent Tax Attorney's Report.

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

Mr. Hardin presented to the Board Pay Estimate ("PE") No. 8 from Sustanite Support Services, LLC ("Sustanite") in the amount of $70,264.46 for work completed through September 26, 2026, for the STP Project, a copy of which is attached to the Engineer's Report. Mr. Hardin also presented to the Board Change Order ("CO") No. 3 from Sustanite in the additive amount of $3,101.62 for the additional work necessary to repair damaged conduit for the addition of Blower No. 3.

Mr. Hardin also presented to the Board two (2) invoices from Preventive Services LP ("PS") in the amounts of $2,400.00 and $2,000.00, copies of which are attached to the Engineer's Report. Mr. Hardin noted that the invoices reflected the coating inspections performed during August and September 2026, in accordance with the relevant agreement between the District and PS.

Mr. Hardin reported on the status of the STP Project. Mr. Hardin noted that Sustanite began the repairs and rehabilitation to Aeration Basin No. 2. Mr. Hardin also reported that Blower No. 3, controls and the variable-frequency drive were installed and testing of same was completed.

Mr. Hardin went on to report that Langford was preparing the site suitability study for the Water Well No. 7 Project. Mr. Hardin added that the study was expected to be completed around the end of 2026.

Mr. Hardin 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 on February 25, 2027. Mr. Hardin stated that Langford would obtain effluent samples after the STP was fully returned to service.

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: 1) the Engineer's Report; 2) PE No. 8 in the amount of $70,264.46 and CO No. 3 in the additive amount of $3,101.62 from Sustanite for the STP Project; and 3) two (2) invoices from PS in the amounts of $2,400.00 and $2,000.00.

9. **Operations Report.** Ms. Donohoe reviewed the Operations Report, a copy of which is attached hereto. Ms. Donohoe reported that the District had 868 connections and a 99.81% water accountability ratio for the period ending September 18, 2026.

Ms. Donohoe then reported that the District received a Notice of Violation from the Texas Commission on Environmental Quality concerning higher ammonia levels associated with the transfer during the STP Project.

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

10. **Discuss pending claims against the District, if any, and take any necessary actions on same.** It was noted that this matter would be discussed in Executive Session.

11. **Review and approve Global Amendment to Contract for Groundwater Reduction Planning, Alternative Water Supply and Related Goods and Services ("GRP Contract") with San Jacinto River Authority ("SJRA").** Ms. Adams then reviewed with the Board the Global Amendment to the GRP Contract with SJRA, 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 approve the Global Amendment to the GRP Contract with SJRA, as presented.

12. **Operations Report (continued).** A discussion ensued regarding the District's outdated security cameras at the District's Water Plant ("WP"). Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to authorize MMIA to cancel the District's then-current WP security camera subscription and replace such cameras, as discussed.

13. **General Maintenance of District Administration Building/site matters.** There was nothing to report at the time.

14. **District facility landscape matters.** Director Haymon noted that the District's landscaper cleaned around a District manhole to make it visible.

15. **Attorney's Report.** Ms. Adams stated she had nothing further to report.

16. **Annual review of all Consultants' Contracts.** The Board then reviewed the District's consultants' contracts. Ms. Adams noted that RAB would present an Amended Attorney Fee Agreement for General Counsel Services at the November 12, 2026 Board meeting. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted unanimously to confirm review of the District's consultant contracts.

17. **Executive Session.** Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Sections 551.071 regarding matters of attorney-client privilege and pending or contemplated litigation, Director Haymon convened the Board in Executive Session at 5:36 p.m. The persons present in the Executive Session were all the members of the Board in attendance, Ms. Adams, Ms. Rodriguez, Ms. Donohoe and Mr. Torres.

All meeting attendees still present re-entered the meeting at 5:54 p.m. and Director Haymon reconvened the meeting in open session, at which time the Board took no action.

18. **Adjournment.** There being no further business to come before the Board, the meeting was adjourned at 5:55 p.m.

Passed and approved this 12th day of November, 2026.

M. Shelly
Secretary, Board of Directors

(DISTRICT SEAL)

