

FAR HILLS UTILITY DISTRICT
MINUTES OF BOARD OF DIRECTORS MEETING

May 13, 2021

The Board of Directors (the "Board") of Far Hills Utility District (the "District") met in regular session, open to the public, via video conference, pursuant to the Texas Governor's suspension of certain Texas Open Meetings Act (the "OMA") provisions due to COVID-19, on Thursday, May 13, 2021 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 Cutler, thus constituting a quorum. Consultants in attendance were: Ms. Regina D. Adams, and Ms. Sholeh Abedinzadeh attorneys, and Ms. Hannah Slaven, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Mr. Mark Ivy and Ms. Erika Mireles of M. Marlon Ivy & Associates, Inc. ("MMIA" or the "Operator"), operator for the District; Mr. Tim Hardin, P.E., of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; and Mr. Bill Blich of Blich Associates, Inc., 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, and declared it open for such business as may come before the Board. The Board meeting was recorded as required by the Texas Governor's declaration suspending certain provisions of the OMA.

1. **Public Comment.** There were no public comments at this time.
2. **Minutes.** The Board considered approval of the regular meeting minutes of April 8, 2021. Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to approve the regular meeting minutes of April 8, 2021, as presented.
3. **Tax Assessor/Collector's Report.** On behalf of the Montgomery County Tax Assessor/Collector, Ms. Tammy McRae, the District's tax assessor/collector, Mr. Holland reviewed with the Board the Tax Assessor/Collector's Report for the month of April 2021, a copy of which is attached hereto. Mr. Holland noted that the District has collected 97.89% of 2020 taxes as of April 30, 2021. Upon motion by Director Bock, seconded by Director Shelly, and after full discussion with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report.

4. **Discuss Montgomery Central Appraisal District ("MCAD") Directors Election Candidacy Information.** Ms. Adams then explained the timeline and procedures for nominating a water district representative candidate for the MCAD Director's election. After discussion, the Board opted not to nominate a candidate.

5. **Attorney's Report.** Ms. Adams reported that no requests for waivers of liability had been received during the previous month. Ms. Adams then reminded the Directors of the deadline for Cyber Security training. The Directors noted they had all taken such training.

Ms. Adams next presented to and reviewed with the Board an Amended and Restated Order Establishing a Records Management Program and Designating Records Management Officer (the "Order"), a copy of which is attached hereto. Ms. Adams noted that adoption of the Order would make the District compliant with the revised form retention order and related schedules promulgated by the Texas State Library and Archives Commission ("TSLAC"). Upon motion by Director Kuhl, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board voted to adopt the Order.

Ms. Adams then presented to and reviewed with the Board the 87th Legislature Update. Amongst other proposed legislation, a discussion ensued regarding the codification of changes to the Texas Open Meetings Act, and which circumstances would warrant teleconference and videoconference meetings. The Directors discussed holding the June Board meeting in person, as Director Kuhl stated he expected the District's building repairs to be complete by that time.

Ms. Adams exited the meeting at this time.

6. **Bookkeeper's Report.** Mr. Holland presented the Bookkeeper's Report, including the Investment Report, Budget Summary, Energy Usage Report, and Billing/Collection Report, copies of which are attached hereto.

Mr. Holland noted that the District had received a payment of \$155,000 from Clearlake Asset Management, LLC ("Clearlake"), developer of Clear View Estates ("Clear View") for the remainder of its share of the capital improvement costs for certain District facilities.

Director Haymon inquired why a payment to B-5 Construction Co. ("B-5") related to the Lift Station No. 1 Improvement Project ("LS No. 1") had been drawn on the District's Operating Fund rather than the Capital Projects Fund. Mr. Hardin explained that Clearlake paid its portion of the funds for such project, which was deposited into the District's Operating Fund, and the District paid B-5 with those funds.

Upon motion by Director Bock, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to: 1) approve the Bookkeeper's Report, as presented, and authorize payment of the bills reflected therein; 2) authorize the Bookkeeper to sign the disbursements, as previously authorized.

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

Mr. Hardin reported on the LS No. 1 project to serve Clear View by B-5. Mr. Hardin reported that the project was essentially complete with new controls and equipment in service, and presented Pay Estimate No. 6 in the amount of \$61,947.09, which include a 10% retainage of \$51,273.87. Mr. Hardin noted that work completed to date is \$512,738.65, and that the contract amount is unchanged at \$571,338.00. Mr. Hardin stated he expected that Langford would perform a final inspection within a few weeks.

Regarding construction of water, sewer and drainage facilities to serve Clear View, Mr. Hardin reported that Langford continues to coordinate with Clearlake and Clearlake's engineer to clear the project for final acceptance.

Regarding the status of development of the remaining acreage owned by FQ/LB, L.P. ("FQ/LB") in the French Quarter and Lake Breeze subdivisions, Mr. Hardin reported that French Quarter, Section 4 is under design with bidding and construction of utilities and paving estimated for the second half of 2021.

Mr. Hardin next presented to the Board a cost estimate to run a water supply line directly from Water Well No. 6 ("WW No. 6") to Ground Storage Tank No. 1 ("GST No. 1").

Director Kuhl inquired whether new properties developed in the French Quarter subdivision would be included in the French Quarter Homeowners' Association ("HOA"). Mr. Hardin stated he was aware of the questions surrounding the new sections' inclusion in the existing HOA, and stated the residents in the newly developed sections would have to vote to be included in such HOA.

Upon motion by Director Shelly, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including 1) approving Pay Estimate No. 6 to B-5 in the amount of \$61,947.09; and 2) authorizing advertisement for bids for construction of a supply line from WW No. 6. to GST No. 1.

8. **Operations Report.** Mr. Ivy reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District has 637 connections and a 96.26% water accountability ratio for the period ending April 20, 2021.

Mr. Ivy reported that the ongoing manhole adjustments in the District have been delayed by the scarcity of certain materials required to finish the project. Mr. Ivy noted that most of the manholes have been raised as the Board authorized, but MMIA is awaiting materials.

Director Kuhl next reviewed the status of repairs to the District's building and warehouse. Director Kuhl reported that repairs are nearly complete, and that contractors have installed countertops and bathroom stalls. Director Kuhl went on to report the building would need a final cleaning, after which it should be ready for use. Director Kuhl noted that once all tasks were complete, he would notify Mr. Holland and permit him to release the funds from the insurance payment. A discussion next ensued regarding the need for further improvements at the District's building, such as a new fence and updated security cameras. Director Haymon asked Mr. Ivy if MMIA could assist with research of security cameras for the building. Mr. Ivy

responded affirmatively. After some discussion Director Bock agreed to obtain bids for a new fence around the District building.

Mr. Ivy also noted that MMIA has prepared the District's 2020 Consumer Confidence Report ("CCR"), and that it would be distributed in compliance with Texas Commission on Environmental Quality regulations.

Mr. Ivy next discussed the District's notification system. Mr. Ivy stated that MMIA was taking steps to collect customer contact information at every possible opportunity, and while the District's contract with Tech Radium, the current notification system, terminates at the end of September, MMIA could migrate the District's customer information into the new system without difficulty.

Upon motion by Director Kuhl, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, and authorized 1) the distribution of the 2020 CCR; 2) Director Bock to obtain bids for replacement fence at the District's building; and 3) Director Haymon to obtain bids for the replacement of the District building security camera system.

9. **District Website Report.** Director Haymon presented to and reviewed with the Board the website report for April 2021, a copy of which is attached hereto.

10. **Miscellaneous.** The Board next discussed the re-opening of the District building. The Directors reached a consensus to hold the June 10, 2021 Board meeting in person at the District building.

11. **Adjournment.** There being no further business to come before the Board, upon motion by Director Kuhl, seconded by Director Bock and with all Directors present voting aye, the President adjourned the meeting.

Passed and approved this 10th day of June 2021.




Secretary, Board of Directors