

**FAR HILLS UTILITY DISTRICT**  
**MINUTES OF BOARD OF DIRECTORS MEETING**

**June 10, 2021**

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, June 10, 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 Kuhl, thus constituting a quorum. Consultants in attendance were: Ms. Sholeh Abedinzadeh, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; 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. Attending via teleconference were Ms. Hannah Slaven, paralegal of RBAP, 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.

1. **Public Comment.** There were no public comments at this time.
2. **Minutes.** The Board considered approval of the regular meeting minutes of May 13, 2021. Upon motion by Director Cutler, seconded by Director Shelly, after full discussion and with all Directors present voting aye, the Board voted to approve the regular meeting minutes of May 13, 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 May 2021, a copy of which is attached hereto. Mr. Holland noted that the District has collected 98.59% of 2020 taxes as of May 31, 2021. Upon motion by Director Shelly, seconded by Director Cutler, and after full discussion with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report.

4. **Delinquent Tax Attorney Report.** Ms. Abedinzadeh reviewed with the Board the Delinquent Tax Attorney Report from Perdue, Brandon, Fielder, Collins and Mott L.L.P., the District's delinquent tax attorney. Upon motion by Director Cutler, seconded by Director Bock, and after full discussion with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report.

5. **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.

In response to a question from Director Bock regarding the Fiscal Year Ending December 31, 2021 Budget expenses, Director Haymon explained that surplus bond funds may be able to be moved from the District's capital projects fund to pay for the proposed fence for the District's administration building, but it must first be approved by the Texas Commission on Environmental Quality ("TCEQ").

Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board voted to: approve the Bookkeeper's Report, as presented, and authorize payment of the bills reflected therein.

6. **Authorize Filing of Unclaimed Property Report.** Mr. Holland stated he would provide the District's Unclaimed Property Report at the July Board meeting. Upon motion by Director Shelly, seconded by Director Bock, with all Directors present voting aye, the Board voted unanimously to authorize the filing of such report with the Texas Comptroller's Office, once complete.

7. **Annual Review of Investment Policy.** Ms. Abedinzadeh then reviewed with the Board the Order Regarding Annual Review of Rules, Policies, and Code of Ethics for the Investment of District Funds and Review of Investments (the "Investment Policy Order"). Ms. Abedinzadeh then reported that the authorized broker list, which is required pursuant to the Texas Public Funds Investment Act and the Investment Policy, has been updated. Upon motion by Director Shelly, seconded by Director Cutler, and after full discussion and with all Directors present voting aye, the Board approved the Investment Policy Order, including amending the broker list, a copy of which is attached hereto.

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

Mr. Hardin reported on the Lift Station No. 1 ("LS No. 1") project to serve Clear View Estates ("Clear View") by B-5 Construction Co. ("B-5"). Mr. Hardin reported that the project was essentially complete with new controls and equipment in service, and presented Pay Estimate No. 7 in the amount of \$31,483.84. Mr. Hardin noted that work completed to-date is \$547,720.70, and that the contract amount is unchanged at \$571,338.00. Mr. Hardin stated that Langford is reviewing the Operations and Maintenance manuals for the project, and is in the process of scheduling a final inspection.

Further discussion ensued regarding the surplus bond funds remaining following the completion of the LS No. 1 project. Director Haymon reiterated that such funds could be declared surplus and transferred to the District's operating fund in order to pay for other repairs, maintenance or improvements, such as the replacement fence for the District's administration building.

Regarding construction of water, sewer and drainage facilities to serve Clear View, Mr. Hardin reported that Langford continues to coordinate with Clearlake Asset Management, LLC ("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, construction of utilities, and paving estimated for the second half of 2021. Mr. Hardin also reported that Shoretech Marine Consulting LLC is constructing bulkheads in Lake Breeze, Section 3.

Mr. Hardin next discussed the Board's request to run a water supply line directly from Water Well No. 6 ("WW No. 6") to Ground Storage Tank No. 1 ("GST No. 1"). Mr. Hardin reported that the structural engineer recommended a design change, to include a beam to support the fill line extension in addition to the supports already in the original design. Mr. Hardin stated he would provide an updated cost estimate based on the additional design work.

Upon motion by Director Cutler, seconded by Director Bock, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, including approval of Pay Estimate No. 7 to B-5 in the amount of \$31,483.84.

9. **Review Five-Year Plan.** Mr. Hardin stated he had no recommended changes to the District's Five-Year Plan.

10. **Operations Report.** Ms. Mireles reviewed the Operations Report, a copy of which is attached hereto. Ms. Mireles reported that the District has 655 connections and a 94.46% water accountability ratio for the period ending May 20, 2021. Ms. Mireles further reported that MMIA had terminated service to five (5) residents in May in accordance with the provisions of the District's Rate Order.

Ms. Mireles reported that she had been in communication with the San Jacinto River Authority ("SJRA") regarding potential amendments to the District's groundwater permit, and noted that SJRA indicated that any permit amendment requests must be through Lone Star Groundwater Conservation District. Ms. Mireles stated she would meet with Mr. Hardin to evaluate the District's groundwater needs through the remainder of the permit year before requesting an amendment to the permit.

Director Haymon stated he had been in communication with Ms. Mireles regarding the acquisition of a new camera system at the District's administration building. Director Haymon noted he did not yet have a final cost estimate for same, but added that he and a neighbor may be able to install the system themselves to save on labor costs.

Director Bock mentioned that he had begun research on cost estimates for a new District administration building fence, but that it was more costly than he anticipated. Director Haymon said is aware of a metal fencing product that might be a good fit for the site, and provided a description. Mr. Hardin added that if the District is interested in a metal fence he could possibly help with procurement bid. Director Bock stated he would do conduct further research and provide more information at the July Board meeting.

Ms. Mireles next reported that the District's new emergency notification system was online, and MMIA was gradually adding more residents to the roll.

In response to a question from Director Cutler, Ms. Mireles explained that the District was charged for a waterline flushing because it had to be performed after normal business hours. Ms. Mireles mentioned she would attempt to structure the invoices to reflect if services were performed after hours or during weekend hours.

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

11. **Attorney's Report.** Ms. Abedinzadeh stated she had nothing further of a legal nature to report at this time.

12. **District Website Report.** Director Haymon presented to and reviewed with the Board the May 2021 website report, a copy of which is attached hereto. Upon motion by Director Shelly, seconded by Director Cutler, after full discussion and with all Directors present voting aye, the Board accepted the District Website Report.

13. **Adjournment.** There being no further business to come before the Board, upon motion by Director Bock, seconded by Director Shelly and with all Directors present voting aye, the President adjourned the meeting at 6:01 p.m.

Passed and approved this 8<sup>th</sup> day of July 2021.



*M. Shelly*

Secretary, Board of Directors