

## FAR HILLS UTILITY DISTRICT

### MINUTES OF BOARD OF DIRECTORS MEETING

June 6, 2019

The Board of Directors (the "Board") of Far Hills Utility District (the "District") met in regular session, open to the public, at 5:00 p.m., at the District's office, 10320 Cude Cemetery Road, located within the boundaries of the District, on Thursday, June 6, 2019, 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
H. Douglas Hall	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 of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Mr. Mark Ivy and Ms. Erika Mireles of M. Marlon Ivy & Associates, Inc. (the "Operator"), operator for the District; Messrs. Tim Hardin, P.E., and Omar Rodriguez, P.E., of Langford Engineering, Inc. ("Langford" or the "Engineer"), engineer for the District; and Mr. Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District. Also in attendance was Mr. Michael Bell of WGB RV Park on the Lake, LLC, ("WGB") developers of Park on the Lake RV Park (the "RV Park"); and Mrs. Jean Haymon, a District resident.

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 were no public comments at this time.
2. **Minutes.** The Board considered approval of the regular meeting minutes of May 9, 2019. Upon motion by Director Kuhl, seconded by Director Hall, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of May 9, 2019, as presented.
3. **Tax Assessor/Collector's Report.** Mr. Holland stated that he had not yet received the Tax Assessor/Collector's Report for the month of May from the Montgomery County Tax Assessor/Collector, Ms. Tammy McRae.
4. **Delinquent Tax Attorney Report.** Ms. Adams next reviewed the Delinquent Tax Attorney's Report submitted by Perdue Brandon Fielder Collins & Mott, L.L.P. ("Perdue Brandon"), a copy of which is attached hereto.
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.

Mrs. Haymon entered the meeting at this time.

Upon motion by Director Kuhl, seconded by Director Hall, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, as presented.

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

Regarding the Lift Station and Force Main to serve the RV Park Mr. Hardin reported that the Board previously awarded the construction contract to Doughtie Construction Co., Inc. ("Doughtie"), for a total amount of \$441,820.50. Mr. Hardin stated that completion of the RV Park Lift Station and Force Main project is scheduled for October 14, 2019. Mr. Hardin then stated that submittal review is underway and construction will commence after approval of Doughtie's equipment submittals and delivery of equipment and materials.

Mr. Bell exited the meeting at this time.

Regarding the drainage improvement project to benefit the development of ClearView Estates subdivision ("ClearView"), Mr. Hardin presented the construction contract with Excel Construction, Inc. ("Excel"), for a total amount of \$268,748.88. Mr. Hardin noted that a pre-construction meeting was conducted on May 28<sup>th</sup> and Langford will issue the Notice to Proceed upon the Board's approval and execution of the construction contracts. Ms. Adams confirmed that the payment and performance bonds and insurance had been reviewed and approved.

Mr. Hardin then reported that Langford is proceeding with the design of the following District improvements to serve ClearView: 1) Lift Station No. 1 improvements (wet well rehabilitation and pumps/control upgrades); and 2) water plant ("WP") improvements (booster pumps and hydropneumatic tank).

Mr. Hardin then presented to the Board the construction contract between Clearlake and Solid Bridge Construction, Inc. ("Solid Bridge") for the construction of the water, sewer, drainage and paving to serve ClearView. Ms. Adams confirmed that the payment and performance bonds and insurance had been reviewed and approved.

Regarding the status of development of the French Quarter and Lake Breeze subdivisions, Mr. Hardin noted that Langford is proceeding with the design of the water, sewer, drainage and paving improvements to serve the remaining acreage owned by FQ/LB, L.P. ("FQ/LB"). Mr. Hardin then stated that Langford is tentatively scheduled to receive bonds in July 2019 for Lake Breeze, Section 3 and construction is scheduled to commence sometime between August and December 2019.

Mr. Hardin then reminded the Board that Langford previously updated the District's long-range Capital Improvement Plan (the "CIP") for the Board's review, a copy of which is attached to the Engineer's Report. Mr. Hardin requested that Directors and consultants contact him with any comments on the CIP.

Director Shelly entered the meeting at this time.

Mr. Hardin then reminded the Board that he previously presented to and reviewed with the Board a proposal from Source Point Solutions in the amount of \$18,466.50 for sanitary sewer line smoke testing and manhole inspections for the French Quarter and Lake Breeze subdivisions, a copy of which is attached hereto.

Mr. Hardin next reported that the Board previously accepted the proposal from Shield Above Roofing in the amount of \$29,950.00 (plus 15% for contingencies) for replacement of the District's administration building roof. Mr. Hardin stated that construction on the project is underway with delays expected due to inclement weather.

Mr. Hardin then reported that Langford had received a preliminary request from L2 Engineering, on behalf of Benson 830 Townhomes, for information related to the request for service by the District to a proposed townhome development outside of the District's boundaries (south of 830 and west of Cude Cemetery Road). Mr. Hardin stated that, to-date, Langford has not received an application for service or the required deposit.

Upon motion by Director Kuhl, seconded by Director Shelly, and after full discussion with all Directors present voting aye, the Board: 1) approved the Engineer's Report; 2) approved and authorized execution of the construction contract with Excel for the drainage improvement project; 3) approved the construction contract between Clearlake and Solid Bridge for the construction of the water, sewer, drainage and paving to serve ClearView; 4) authorized payment to Sheild Above Roofing in the amount of \$29,950.00; and 5) accepted the proposal from Source Point Solutions in the amount of \$18,466.50 for sanitary sewer line smoke testing and manhole inspections for the French Quarter and Lake Breeze subdivisions.

7. **Attorney's Report, Review Update on 86<sup>th</sup> Texas Legislature.** Ms. Adams then reviewed with the Board several bills that had been passed and signed into law following the 86<sup>th</sup> Legislative Session.

8. **Operations Report.** Mr. Ivy then reviewed the Operations Report, a copy of which is attached hereto. Mr. Ivy reported that the District has 532 connections and a 96.51% water accountability ratio for the period ending May 20, 2019.

Ms. Mireles then reviewed with the Board the delinquent list, a copy of which is attached to the Operations Report.

Mr. Ivy next reported that the wastewater treatment plant generator is now online. A discussion ensued regarding the Operator's plans for additional storm preparedness.

Ms. Mireles then reminded the Board that George Harrison and Sheila Harrison, owners of property located at 10331 Cude Cemetery Road, Willis, Texas 77318, and OMG Builders, LLC, owner of property located at 10309 Cude Cemetery Road, Willis, Texas 77318 (collectively, the "Properties"), are building residences on the Properties, the lowest finished floors of which are less than 12 inches (12") above the elevation of the nearest District sanitary sewer manhole, outside of the requirements of the District's Rate Order. Ms. Mireles noted that the owners of the Properties were unwilling to sign the District's standard Waivers of Liability for the benefit of the District, in accordance with the District's Rate Order, in the event that there is a sanitary sewer back-up at the Properties due to the low elevations of the residences. Ms. Mireles noted that one of the properties was sold without such documentation being in place and service was temporarily denied and service was to be disconnected to the other property, but that both properties have installed grinder pumps on the Properties.

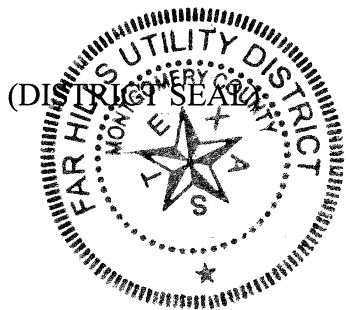
Upon motion by Director Hall, seconded by Director Kuhl, after full discussion and with all Directors present voting aye, the Board: 1) approved the Operations Report; and 2) authorized termination of service to the delinquent accounts in accordance with the provisions of the District's Rate Order.

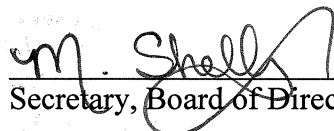
9. **Adopt Amended Rate Order (increase out-of-District customer water and sewer rates).** Ms. Adams noted that it was previously the consensus of the Board to amend the District's Rate Order in the next few months to increase the water and sanitary sewer service rates for out-of-District customers (to be effective January 1, 2020) and provide notification of such increase to all out-of-District customers prior to the effective date of such increase. No action was taken at this time.

10. **District Website Report.** Director Haymon next reported that he had no website report at this time.

11. **Adjournment.** There being no further business to come before the Board, the President adjourned the meeting.

Passed and approved this 11<sup>th</sup> day of July, 2019.



  
Secretary, Board of Directors