

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 5, 2021

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §
MONTGOMERY COUNTY UTILITY DISTRICT NO. 3 §

The Board of Directors (“Board”) of Montgomery County Utility District No. 3 (“District”) met in **special** session, open to the public, on **January 5, 2021 at 10:00 AM** at the offices of Hays Utility North Corporation (the District’s utility operator) at 375 Lake Meadows Drive, Montgomery, Texas 77356, in Montgomery County, Texas and via a telephone conference call audible at that location (with two way audio), as authorized by the Governor of Texas under an emergency declaration, whereupon the roll was called of the members of the Board, to-wit:

Doris Hickman, President
Richard Tibbetts, Vice President
Janis Boulware, Secretary and Assistant Treasurer
Carolyn H. Smith, Treasurer
Judy Robert, Assistant Secretary

and all members of the Board were present via conference call, thus constituting a quorum. Also present via conference call were Kathy Howard and Jennifer Donato of the ASPOA; Gary North, President of Montgomery County Utility District No. 4 (“UD4”); Chris Roznovsky of Jones & Carter, Inc., engineers for the District; and James Dougherty, special counsel for the District. Philip Wright of Hays Utility North Corp., operator for the District, was present at the meeting place and joined by conference call. The meeting was called to order by the President, and in accordance with notice posted pursuant to law in the form attached as *Exhibit A*, the following business was transacted:

1. Notices, Minutes, Etc. The Secretary reported that the notice of the meeting had been given as required by law. It was moved and seconded to approve the notice and how it was given, in the form shown in *Exhibit A*, attached. The motion was adopted.

2. Public comments. There were no public comments.

3. Neighborhood Update (UD4). There was no neighborhood update, except as mentioned during the discussion of intergovernmental matters.

4. Operations. There were no operational matters.

5. Intergovernmental matters. Mr. Dougherty gave a brief report on a draft letter relating to the SH 105 project. Ms. Howard reported that the ASPOA Board needed to vote soon on proposed options, and materials for the referendum those options would need to be completed by January 28, 2021, so a response from TxDOT would be needed by January 25 at the latest. She said the engineers hired by ASPOA (Bleyle Engineers) had warned that the option that would require a u-turn was dangerous and should not be implemented. She added that the assessment to build a new entrance road, if reduced to “bare bones,” would be \$225 per house. She said that figure was based on a cost projection for just the new entrance roadway, and there were no plans yet. Ms. Boulware and Mr. North mentioned the possible impact on drainage in the area, including disruption of sheet flow by the raised median. Mr. Roznovsky said that plans for a new entrance road (and its impact on drainage) would have to be submitted for review by both the City and UD3. Mr. Tibbetts reported on an interview with a traffic

engineer and a discussion with the CEO of Montgomery County Hospital District (which provides EMS service).

After all the reports and discussion, Ms. Smith moved to authorize the expenditure of up to \$5,000 to obtain a preliminary engineering review of available data, with a report by January 15, 2021. Director Robert seconded and all voted in favor.

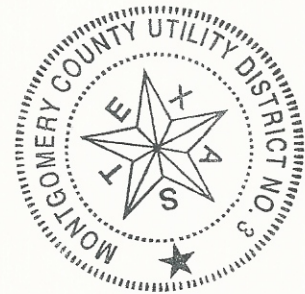
Director Robert then moved to authorize a short letter requesting an extension of time for the referendum and asking for a response by January 22, with a longer appendix showing background and more details and to authorize the Vice President being to review and approve the text of the letter. Director Smith seconded, and all voted in favor.

A motion was made to adjourn the meeting at about 11:42 AM. The motion was seconded and carried unanimously.

These minutes were approved by the Board of Directors on January 15, 2021.

SIGNED: Doris Heckman, President, Board of Directors

ATTEST: Joe C. Balme, Secretary, Board of Directors



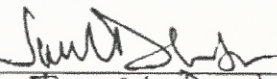
MONTGOMERY COUNTY UTILITY DISTRICT NO. 3

NOTICE: In accordance with Ch. 551, Tex. Gov't Code and Sec. 49.063, Tex. Water Code, both as amended, take notice that the Board of Directors (Board) of Montgomery County Utility District No. 3 (District) will meet in special session, open to the public, at **10:00 AM on January 5, 2021** at the offices of Hays Utility North Corporation (the District's utility operator) at 375 Lake Meadows Drive, Montgomery, Texas 77356, in Montgomery County, Texas where one or more persons will be present. Pursuant to the disaster declaration and suspension of certain laws by the Governor of Texas, any Director or other person may participate in the meeting via telephone (with two-way audio) by calling a public, toll-free number (800-504-7056, enter conference code 447079 when prompted), and an electronic copy of any agenda packet will be made available on the internet at <https://hayswater.com/montgomery-county-utility-district-3/>. Alternative means of communicating with District Directors include: (i) email addressed to "MCUD#3 Directors, c/o James Dougherty" sent to jim@jldjr.com; (iii) mail, phone or fax to the MCUD#3 Directors c/o James Dougherty, 12 Greenway Plz., Ste. 1100, Houston, TX 77046, phone 713-880-8808, fax 281-220-8984. The subjects of the meeting are as follows:

1. **Notices & Minutes.** Notices; minutes of current and prior meetings; etc.
2. **Public comments.**
3. **Neighborhood matters**, including Montgomery County Utility District No. 4 (UD4), projects, facilities, etc., *also*, --consolidation (merger) of the District with UD4, including agreement, election, and related matters.
4. **Operations.** Receive, discuss and act upon operation report, *also*: customer matters; repairs and maintenance; drainage; grounds maintenance; other projects; claims; operations contract; easements (and amendments and encroachments); water conservation (and drought contingency); utility services, policies, rates; and related matters.
5. **Intergovernmental matters.** Discuss, consider and act upon matters relating to: (i) City of Conroe: strategic partnership agreements, annexation, services, elections, codes, etc.; (ii) SH 105-TxDOT (plans, facilities, alternatives, engineering services, legal services, coalitions, presentations, litigation, draft letter, etc.); (iii) legislation; and (iv) related matters.
6. **Other:** (i) inquiries, (ii) future meetings and agenda items, and (iii) related matters.

IMPORTANT: (1) Each subject listed includes discussion, consideration, action, etc. (2) Subjects may be taken up in the order listed or otherwise and may be taken up more than once during the meeting. (3) If a quorum is not present, directors present may form and hold a special meeting to discuss, consider and act upon the subjects listed. (4) If the Board determines that any closed or executive session is required or should be held, such session(s) will be held by the Board at the date, hour, and place given in this Notice, if permitted under Sections 551.071-551.084, Texas Gov't Code (including, but not limited to, Sec. 551.071 for private consultation with the Board's attorney). (5) **IF YOU HAVE A DISABILITY REQUIRING SPECIAL ARRANGEMENTS AT THE MEETING, PLEASE CONTACT THE DISTRICT'S ATTORNEY AT 713-880-8808 BEFORE THE MEETING. REASONABLE ACCOMMODATIONS WILL BE MADE FOR YOUR PARTICIPATION IN THE MEETING.**

NOTICE (Meeting Place). After at least 50 qualified electors are residing in the District, on written request of at least five of those electors, the District's Board shall designate a meeting place and hold meetings within the District. If no suitable meeting place exists inside the District, the Board may designate a meeting place outside the District that is located not further than 10 miles from the boundary of the District. On the failure of the Board, after such a request is made, to designate the location of the meeting place within the District or not further than 10 miles from the boundary of the District, five electors may petition the Texas Commission on Environmental Quality to designate a location. If it determines that the meeting place used by the District deprives the residents of a reasonable opportunity to attend District meetings, the Commission shall designate a meeting place inside or outside the District which is reasonably available to the public and require that the meetings be held at such place.

Signed:  James L. Dougherty Jr. Anthony (sp. Council)
Secretary, Montgomery County Utility District No. 3. Date: 12-30-2020