

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 25, 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 25, 2021** at **2:00 PM**, 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. (Ms. Robert joined shortly thereafter.) Also present via conference call were Maurice Williams, Director, Montgomery County Utility District No. 4 (“UD4”); Chris Roznovsky and Katherine Vu of Jones & Carter, Inc., engineers for the District; James Dougherty, special counsel for the District; Kathy Howard, Jennifer Donato and Pat Simmons of the April Sound Property Owners Association (ASPOA). Philip Wright of Hays Utility North Corp., operator for the District attended at the meeting place. 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.

2. Public comments. There were no public comments.

3. Neighborhood Update (UD4). Later in the meeting, the President referred to the letter received from UD4 about consolidation. Mr. Tibbetts said consolidation would be good for the neighborhood. There was a report that the consolidation committee had met the preceding Thursday. After the discussion, there was a motion to authorize the existing consolidation advisory committee representatives (Ms. Hickman and Ms. Boulware) to move ahead on the approach described in the UD4 letter, looking toward a November election. That approach included working on a consolidation agreement and making a recommendation to the full Board. The motion was seconded and adopted by unanimous vote.

4. Operations. There was no action taken.

5. Intergovernmental matters. Mr. Tibbetts reported on the most recent correspondence and discussions with TxDOT staff on the proposed SH 105 project. He said TxDOT’s position was that a traditional “four-legged” intersection was the safest, and TxDOT wanted the referendum on a financial assessment to go ahead. Reportedly, TxDOT would look for an alternative if the financial assessment were rejected at the referendum, but the u-turn alternative did not look likely to be adopted. Mr.

Roznovsky said he had also discussed the matter with TxDOT staff (Conroe office). Ms. Howard said the referendum ballot had gone out to be printed, and it had to be mailed out that week. She indicated that the ballot would allow people to vote on an assessment for TxDOT's current plan, but there was no u-turn or other alternative on the ballot. Ms. Donato indicated that, for the result of a referendum to be effective, at least 51% of owners would have to participate in the referendum.

Mr. Roznovsky described two conceptual alternatives that had been conceived the prior week. Ms. Howard indicated that if the referendum failed, there would not be sufficient funds to hold another referendum. Ms. Donato said the legal notice approved by the ASPOA Board said that the special assessment was for the purpose of modifying the entrance to April Sound---but the Board wanted there to be a map showing the plan to construct a connection to the west fork of the Boulevard (as required by the TxDOT four-legged intersection). It was reported that electronic voting would be conducted February 1 to February 8, which required that the notice get mailed that week (by January 28). Ms. Robert indicated that there would be a risk that, if the referendum were to pass, it would be interpreted as approval of the TxDOT four-legged intersection. Ms. Boulware asked about possible financial shortfalls if some residents failed to pay their assessments, and she expressed concern about possible flooding caused by the TxDOT four-legged intersection. Ms. Hickman pointed out possible confusion at the guard shack caused drivers having to weave to get into the proper lane to get through.

Mr. Tibbetts and Mr. Roznovsky confirmed that the prior authorization of engineering work would cover the proposed work with TxDOT. There was no action to change the prior authorization, and the President indicated that work should proceed. Mr. Williams said it was a good approach, and he specifically mentioned sheet flow drainage impacts.

A motion was made to adjourn the meeting at about 3:20 PM. The motion was seconded and carried unanimously.

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

SIGNED: Davis Ackman, President, Board of Directors

ATTEST: Jacob, Secretary, Board of Directors



Exhibit A


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 **2:00 PM on January 25, 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, letters, ASPOA position (also referenda, assessments, etc.), drainages, sewer lines, utilities, 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 an ad hoc committee 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 Dougherty, Atty (Sp. Counsel)*
Secretary, Montgomery County Utility District No. 3. Date: 1-22-2021