

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 7, 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 **May 7, 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 at the meeting place, except Mr. Tibbetts who was present via conference call, thus constituting a quorum. Also present at the meeting place was Ms. Cathy Hwang of Sugarcreek Builders. Also present via conference call was James Dougherty, special counsel for the District. Mr. Philp Wright, operator for the District, arrived at the meeting place shortly after the start. The meeting was called to order by the President, and the Secretary reported that the notice was posted in accordance with state law. (The form of the notice is attached as *Exhibit A.*) The following business was transacted:

1. Public comments. Ms. Cathy Hwang appeared and asked for a variance from the District’s rate order to avoid the need to submit engineer-prepared plans for a triplex that was under construction by Sugarcreek Builders. She said there was “a time crunch” because she had to move in, and it was difficult to find other accommodations. Mr. Wright indicated that the current plans were adequate for the operator’s purposes. After an extended discussion, it was moved and seconded that, because of the unusual circumstances of the case, a variance would be granted from the requirement that the plans be prepared by an engineer, and the variance would also: (i) authorize temporary connection for testing purposes only (if owner pays extra fees for turn-on and turn-off), and (ii) require the following before re-connection (after testing) for occupancy and actual service: approval of the plans by the District’s engineer, inspection and approval of the plumbing installation by the City of Conroe, and customer service inspection by the District’s operator (which must be passed). The motion was adopted by a vote of 5-0.

2. Engineering. The President introduced the subject of an engineering services agreement and provided some background. She reported that there had been ten responses received in response to the District’s request for statements of interest and qualifications (RFSI&Q). There were questions about the process and an extended discussion, after which there was a consensus that the District should try to negotiate an engineering services agreement, and the agreement should include the following scope items: (a) routine basic services, like meetings, inquiries, consulting, plan-checking, etc.; (b) overall system planning and GIS (which could be separated); (c) case-by-case services, to be provided only if triggered by the Board, in two categories (i) project-related services, like design and contract administration; and (ii) value engineering with reviews, consultations, etc. The President asked that the discussion and ranking of the responders (by qualifications) be taken up at the next meeting.

4. Operations. A discussion and grant of a variance (regarding the Sugarcreek Builders project) took place earlier in the meeting.

5. District policies. There was a brief report and discussion about the solid waste collection contract and the District's regulations.

A motion was made to adjourn the meeting at about 12:06 PM. The motion was seconded and carried unanimously.

These minutes were approved by the Board of Directors on May 17, 20 2021

SIGNED: Laris Hickman, President, Board of Directors

ATTESTATION & CERTIFICATION. By signing below, the Secretary attests to the signature of the President, above, and certifies that notice of the meeting was posted in as required by state law, in the form attached as *Exhibit A*.

(SEAL) [Signature], Secretary, Board of Directors



MONTGOMERY COUNTY UTILITY DISTRICT NO. 3

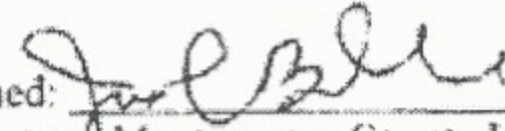
NOTICE: In accordance with Ch. 551, Tex. Gov't Code and Sec. 49.063, Tex. Water Code, both as amended, take notice that the Board of Directors (Board) of Montgomery County Utility District No. 3 (District) will meet in **special session**, open to the public, at **10:00 AM on May 7, 2021** at the offices of Hays Utility North Corporation (the District's utility operator) at 375 Lake Meadows Drive, Montgomery, Texas 77356, in Montgomery County, Texas. If allowed by disaster declaration and suspension of 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; (ii) USPS mail addressed to "MCUD#3 Directors c/o Hays Utility North Corporation," 375 Lake Meadows Drive, Montgomery, Texas 77356; and (iii) fax addressed to "MCUD#3 Directors c/o James Dougherty" faxed to 281-220-8984. The subjects of the meeting are as follows:

1. **Public comments.**
2. **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.
3. **Engineering.** Receive, discuss, consider, and act upon reports, studies, facilities, projects, and related matters; also: procurement of engineering services, statements of interest and qualifications, interviews, evaluations, negotiations, and engineering services agreements (new and existing); 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.
 - Capacity, permits, taps, meters, fees, etc., including variances requested by Sugarcreek Builders, 1415 E. April Villa (C. Hwang)
5. **District policies, etc.** Discuss, consider, and act upon: District policies (e.g., investment, compensation, arbitrage, consultants, solid waste, etc.); insurance (and renewal); election matters; cyber-security matters; meetings; solid waste collection; and 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.

AVISO (Elección): Se notifica por el presente que la Mesa Directiva del Distrito No. 3 de Servicios Públicos del Condado de Montgomery, Texas, celebrará una reunión el 7 de mayo de 2021, a las 10:00 a.m. en 375 Lake Meadows Drive, Montgomery, Texas 77356 con los siguientes temas, entre otros:elección para la consolidación de los distritos, asuntos electorales.

Signed: 
Secretary, Montgomery County Utility District No. 3.
Date: 5/3/2021



DOC# 21-0641
POSTED
05/03/2021 11:52AM
GWENDALYNN CAMARENA
MARK TURNBULL, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS