

# MINUTES OF MEETING OF BOARD OF DIRECTORS

August 30, 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 **August 30, 2021 at 12:00 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 four members of the Board were present at the meeting place (Ms. Hickman, Ms. Boulware, Ms. Robert and Ms. Smith), and one member was present via telephone conference call (Mr. Tibbetts), thus constituting a quorum. Also present at the meeting location were: Katherine Vu of Ward, Getz & Associates, PLLC (“WGA”); Philip Wright of Hays Utility North Corp.; Mr. Steve Haskins of Protocol Bookkeeping, Inc.; and Mr. James Dougherty, special counsel for the District. The meeting was called to order by the President, and in accordance with notice attached as *Exhibit A*, the following business was transacted:

**1. Notices, Minutes, Etc.** The Secretary reported that the notice of the meeting had been posted as required by law, in the form shown in *Exhibit A*, attached. There was no action taken on minutes.

**2. Public comments.** There were no public comments.

**3. Financial Matters, Etc.** Mr. Dougherty and Mr. Haskins briefed the Board on the proposed changes at BBVA (Compass) Bank and a proposal for a new depository agreement with Central Bank. Mr. Dougherty explained that a depository order and three major agreements were required. They reviewed the required Intra-Fi “insured cash sweep” agreement in detail. After discussion, Director Tibbetts moved to approve and adopt the depository order (entitled “Order Providing For The Administration of Funds [etc.]”), which authorized the three agreements. Director Robert seconded, and all voted in favor. The Board asked Mr. Haskins to pursue the answers to the questions about the “sweep” agreement before releasing the documents, and to bring them back if any changes were necessary. Director Tibbetts moved to amend the investment policy by adopting a “RESOLUTION ADOPTING AND AMENDING CODE OF ETHICS, FEES [ETC.]” which included the amendments to the investment policy to allow interest-bearing bank deposits as investments. Director Smith seconded, and all voted in favor.

**4. Out-Of-District Service, Etc.** Mr. Dougherty, Ms. Vu and Mr. Wright briefed the Board on the inquiry from the owner of property on SH 105 located east of the Exxon station on the south side. It appeared that there were two existing customers on the south side that were outside the District’s boundaries. Ms. Vu displayed a map from the PUC that showed the CCN area (water only) of Lake Bonanza WSC, which was apparently created in 1993. It appeared that the CCN area included all the

frontage on the south side of SH 105 from the District's boundary near the Exxon station to a line east of the WWTP and fire station. The Board asked for additional searches to be done for maps, plans and other records relating to the 1993 CCN proceedings and the construction of a water line along the south side of SH 105 between the Exxon station and the Seven Leguas center. Mr. Wright said that the waterline in question had apparently been constructed by HUNC in 2005. It was duly moved and seconded to authorize the President to request Jones & Carter to provide engineering records, in their original formats. The motion was adopted.

There was an inquiry about the position taken by Montgomery County Utility District No. 4 on the costs of work done along SH 10 (manhole, lines, etc.). The President reported on the most recent letter from UD4 and the existing agreement, also discussions with UD4 representatives. No action was taken, but the President asked that the matter be on the agenda for the next meeting.

A motion was made to adjourn the meeting at about 2:20 PM. The motion was seconded and carried unanimously.

These minutes were approved by the Board of Directors on September 20, 2021.

SIGNED: Navis Heckman, 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*.

[Signature], Secretary, Board of Directors

(SEAL)





DOC# 21-1321  
POSTED  
08/26/2021 01:35PM  
GWENDALYNN CAMARENA  
MARK TURNBULL, COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

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 12:00 Noon on August 30, 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://www.mcutd3.com/meetings/#documents>. Alternative means of communicating with District Directors include: (i) email addressed to [board@mcutd3.com](mailto:board@mcutd3.com); (ii) 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. **Financial matters.** Receive, discuss, consider and act upon: bookkeeper reports, budgets (GF and WWTP); bills/payments, transfers; depositories (including new agreements with Central Bank); investments and investment policy (including "sweep" agreement with Central Bank); and related matters.
- 4. **Out-of-District Services,** including capacity inquiry and water and sewer services for strip center property on south side of SH 105 (16145 SH 105 W, east of Exxon Mobil site) and nearby properties, also other properties outside District boundaries; other utilities and service areas; facilities, right of way, etc.; rates, regulations, etc.; and related matters.
- 5. **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: [Signature], Secretary  
Montgomery County U. D. No. 3.  
Date: 8/26/2021

