

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 13, 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 **September 13, 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, 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 (Mr. Tibbetts) was absent, thus constituting a quorum. Also present at the meeting location were Philip Wright of Hays Utility North Corp. and 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. There was no action taken on minutes.

2. Public comments. There were no public comments.

3. Financial Matters, Etc. (a) Mr. Dougherty reported on the arrangements for the new depository agreement with Central Bank, and he described the updated documents and the new signature documents. He reported on the IntraFi “insured cash sweep” agreement and Mr. Haskins’s review. After discussion, it was moved to: (i) approve and adopt an amended version of the depository order (entitled “Order Providing For The Administration of Funds [etc.]”), which authorized the three agreements with Central Bank; and (ii) approve and adopt the signature cards and Master Resolution regarding the new accounts at Central Bank. The motion was seconded and adopted.

(b) The President opened a public hearing on the proposed tax rate. Mr. Dougherty gave a brief background report. The President asked if anyone else would like to be heard, but there was none. The President closed the public hearing. After a discussion, Director Smith moved to adopt the “ORDER SETTING TAX RATE AND LEVYING TAX,” which contained the proposed and advertised tax rate (\$0.09/\$100 total). Director Boulware seconded, and all voted in favor (Directors Hickman, Boulware, Smith, Robert), with Mr. Tibbetts absent.

4. Engineering Matters. Mr. Wright showed photos and explained how two UD4 force mains had been constructed inside Manhole #358 and obstructed access, especially with their large “drop” fittings. There was an inquiry about Montgomery County Utility District No. 4’s new trunk water main along SH 105. Mr. Wight showed the approximate route and said there was supposed to be a one-way valve in the line that would prevent water from flowing backward (from west to east) and preserve the separation of the two pressure planes in the joint system. The Board received a letter from UD4 dated September 9, 2021 stating that UD4 had agreed to take over the Capetown Lift Station (located within

UD4's boundaries), effective October 1, 2021. There was a brief discussion about the need to change the operator contract and electrical billings as of that date.

The Board reviewed an email about the manhole failure and related work new SH 105. The President suggested that the meeting for the discussion with UD4 representatives be held on September 20 at noon, at HUNC office.

A motion was made to adjourn the meeting at about 4:05 PM. The motion was seconded and carried unanimously.

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

SIGNED: Norris 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*.

Joe Chulre, Secretary, Board of Directors

(SEAL)

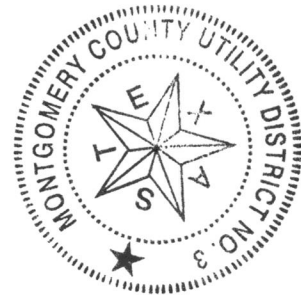


Exhibit A

DOC# 21-1383
POSTED
09/08/2021 09:47AM
GWENDALYNN CAMARENA
MARK TURNBULL, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

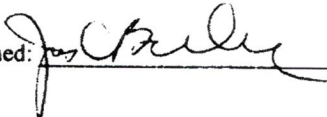
MONTGOMERY COUNTY UTILITY DISTRICT NO. 3

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 **2:00 PM on September 13, 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. 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; Taxes, Etc.** (a) 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.
(b) Receive, discuss and act upon: Financial Advisor's recommendation/report, tax calculations, financial analysis, hearings, tax levies, also: (i) public hearing regarding proposed tax rates; (ii) consider-adopt-set by Order/Resolution the 2021 ad valorem tax rate for maintenance and operation (proposed at \$0.0900/\$100) and debt service (proposed at \$0.0000/\$100), or other tax rate(s), including information form amendment, form for notice to purchasers, etc.; and (c) other tax matters.
- 4. **Engineering matters.** Receive, discuss, consider and act upon reports, studies, facilities and projects, also: (i) wastewater system, including treatment plant, site and permits; collection system; joint wastewater committee matters, construction and rehabilitation projects; repairs; shared costs; agreements (including Aqua Texas, Inc./Lake Conroe Village, UD4, City of Conroe, GPW Two—Waterpoint, etc.); wholesale services; etc.; (ii) drainage, including improvements and projects; (iii) water system, including water production, transmission and distribution; wholesale services; Catahoula-aquifer wells and cooling/aeration; elevated storage; pressure maintenance; system modeling; interconnections (Stanley Lake MUD, etc.); Joint Water Operating Committee (JWOC); UD3-UD4 joint system matters, including water and sewer contracts, facilities, shared costs; etc.; (iv) Lone Star Groundwater Conservation District and San Jacinto River Authority issues and rules, regulations, contracts, permits, early conversion credits, future permitted authorization, transfers, transactions, groundwater reduction plans, etc.; (v) easements, rights of way, other facilities and other projects; (vi) engineering services procurement, agreements, etc.; and (vii) related matters; also:
---Manhole problem on SH 105 and related facilities, emergency repairs, bypass pumping, engineering, invoices, cost splits, 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:  Secretary, Montgomery County U. D. No. 3. Date: 9/7/2021

