

increase in interest rates. There was a discussion about the payments made by Aqua Texas Inc. for waste disposal services for Lake Conroe Village. He explained the need for a separate check to pay Texas Mutual Insurance Company (for workers compensation coverage).

There was a motion to approve and accept the quarterly investment report submitted by the Investment Officer. The motion was seconded, and all voted in favor. There was a motion to accept the bookkeeper report and to approve and authorize the checks as prepared and presented, plus Check #1398 for \$400 (payable to Texas Mutual Insurance Co.). The motion was seconded, and all voted in favor.

5. Tax Assessor-Collector, Etc. The tax assessor-collector's report indicated that 95.76% of TY 2021 taxes had been received.

6. Engineer's Report, Etc. Mr. Roznovsky presented the engineer's written report. He reported on a meeting with John Bleyl about the WWTP improvement plan. Reportedly, UD4 was satisfied with the scope of the project, but Mr. Bleyl did not want to be involved in the negotiations with the Jones & Carter firm (or the new Quiddity entity) about the engineering proposal for the project. There was a brief discussion with Mr. North about who would handle the negotiations, and the consensus was that the WWTP Operations Committee would handle the negotiations. Mr. Roznovsky said he would work up a recommendation on the structure of the proposal and report it to the Operations Committee. Reportedly, also, UD4's engineering firm (Bleyl Engineering) would be hired by the City of Conroe to review plans for the WWTP project.

There were questions and a discussion about WWTP discharge parameters and "re-rating" sewage treatment plants (e.g., to allow more equivalent connections to be served). Mr. Wright showed aerial photos of the WWTP and another plant that also used an advanced treatment process (and discharged into Lake Conroe).

Mr. Roznovsky presented the results of the water plant inspection, with photos, and made recommendations for repairs and minor recoating work. The total estimated cost was \$216,000, of which \$145,000 would be the UD3 share. He said he would present updated numbers at the next meeting, along with a list of funds available for all projects. The President asked about the effect of that project on the consolidation agreement, and there was a brief discussion. Mr. Roznovsky indicated that the water line repair project might be in the same category.

Mr. Tibbetts asked about "smart covers" for manholes that could be used to measure wastewater levels in manholes during rain events. There was a discussion about using them—or similar devices—to find sources of inflow and infiltration. Mr. Wright recommended smoke testing in low-lying areas. Mr. Roznovsky recommended doing both kinds of investigation.

Later in the meeting, Mr. Roznovsky reported that the City of Conroe was planning to send sewage flows to the WWTP in about two months, and he said it was necessary to get the new flume (for measuring the City's flows) conveyed to the District. Also, the President and Mr. Tibbetts gave updates on the negotiations on amendments to the 2011 WWTP agreement, and there was a general discussion, including the proposal for engineering services and the necessary contract for engineering services. Mr. Wright noted that the Districts were incurring extra expenses to keep the WWTP lift station running.

7. Operator Report, Etc. Mr. Wright presented the operator's written report. He noted that total water pumpage exceeded the volume of WWTP discharges, which probably indicated that irrigation was up but inflow and infiltration were down. He described the basic approach for work HUNC was doing with the ASPOA to replace storm sewer inlets when ASPOA replaced pavement.

Mr. Wright mentioned damage to a water line on SH 105 caused by a cable contractor working for TxDOT. The attorney and the engineer recommended that the claim be presented not only to the contractor but also to TxDOT, because contracts usually require that contractors cover damages they cause.

The operator reported that notices of delinquency and possible disconnection of service (including the opportunity for a hearing at the Board meeting) had been given to each person on the cutoff listing. The President provided an opportunity for a hearing, but no one appeared or asked to be heard. It was then duly moved that the Board: (1) find that the amount shown on the list for each account was correct and delinquent, (2) determine that the notices described by the operator were duly given, but nobody had appeared or asked to be heard, and (3) authorize disconnection of water service, in accordance with standard operating procedures. The motion was seconded, and all voted in favor.

8. Intergovernmental matters. There was no action taken.

9. District policies, etc. The Board heard that the Bailey Brothers were “paying double at the dump for fuel charges” and had asked the District to take a look at the solid waste contract. The attorney indicated that the 2021 contract called for an annual review “upon request of either party,” and the first anniversary would come up in June 2022. Also, the contract said that, to request an increase in payments, the Collector (Bailey Brothers) must submit a letter “describing (and quantifying) those costs which have increased since the last time the payments were changed,” and the contract required that the Collector “provide back-up documentation of those costs” upon request. The President indicated that the Collector should submit such a letter with back-up documentation for consideration by the Board, and she asked Mr. Wright to pass the information on the Bailey Brothers.

10. Executive sessions(s). There was no executive session.

11. Other. There was no action taken on this item.

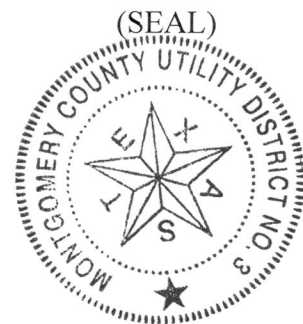
There was a motion to adjourn at about 4:50 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on June 20, 2022.

SIGNED: Garis 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 as required by state law, in the form attached as *Exhibit A*.

Jane Chiles, Secretary, Board of Directors



DOC# 22-0899
POSTED
05/12/2022 09:07AM
Shelby Curry
MONTGOMERY COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

**NOTICE OF MEETING OF BOARD OF DIRECTORS
MONTGOMERY COUNTY UTILITY DISTRICT NO. 3**

In accordance with chapter 551, Texas Government Code and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors (Board) of Montgomery County Utility District No. 3 (District) will meet in **regular** session open to the public, at **2:00 PM** on **May 16, 2022** 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, Directors, Officers.* Notices; minutes of current and prior meetings; etc. *also:* director qualifications and officers, including certificates of election, statements, oaths, bonds, election of officers by the Board, and related matters.

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, water facilities and related matters.

4. Financial matters. Receive, discuss, consider and act upon: bookkeeper and investment reports; budgets (GF and WWTP); bills/payments, transfers; depository matters; audit (report, engagement of auditor and related matters); investments; bonds (application to TCEQ, proceeds, etc.); and related matters.

5. Taxes, etc. Receive, discuss and act upon Tax A/C report, tax data, exemptions, levies, penalties, collections and other tax matters; *also:* amended district information form.

6. Engineering matters. Receive, discuss, consider and act upon reports, studies, facilities and projects, also: (i) wastewater system, including treatment plant, improvements, site and permits; collection system; joint wastewater committee matters, construction and rehabilitation projects; repairs; shared costs; agreements and negotiations (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, WWTP and other facilities, amendments, shared costs; etc.; (iv) Lone Star Groundwater Conservation District and San Jacinto River Authority issues and rules, regulations, contracts, permits, credits, authorizations, transfers, transactions, 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, shared costs and related matters.

7. Operations. Receive, discuss and act upon operation report, also: customer matters; repairs and maintenance; drainage; grounds maintenance; other projects; claims; operations contract; easements (and encroachments); water audits/conservation (and drought contingency); utility services, policies, rates and charges (including increases); rate order amendments; and related matters. ---Public hearing on delinquencies; discuss and act on delinquencies, including service terminations.

8. Intergovernmental matters. Discuss, consider and act upon: (i) City of Conroe issues: strategic partnership agreements, annexation, services, WWTP, building and plumbing codes (and related plans, permits, inspections, etc.); (ii) SH 105-TxDOT issues (plans, facilities, engineering, etc.); (iii) legislation; and (iv) related matters.

9. District policies, etc. Discuss, consider and act upon: District policies (e.g., investment, compensation, arbitrage, consultants, solid waste, meeting places, offices, records, etc.); insurance; investments; elections for directors and consolidation of the District and election matters, including arrangements for directors election set for May 7, 2022 and cancelation (if unopposed); cyber-security; meetings; public records; solid waste; publication of rules, regulations, penalties, etc.; and related matters.

10. Executive sessions(s) under Sections 551.071-551.084, Texas Government Code regarding subjects on this agenda. ---Action on items discussed in executive session.

11. 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 16 de mayo de 2022, a las 2:00 PM, en 375 Lake Meadows Drive, Montgomery, Texas 77356 en el condado de Montgomery, Texas, con los siguientes temas, entre otros: calificación y funciones de los directores, incluidos certificados de elección, declaraciones, juramentos, bonos, elección de funcionarios por parte de la Junta y asuntos relacionados.

Signed: 

Secretary, Montgomery County Utility District No. 3

Date: 5/11/2022