



**5. Taxes, etc.** At the beginning of the meeting, the President opened a public hearing on the proposed tax rate. Mr. Dougherty explained the tax rates that had been proposed at the August meeting and later published. He said the publication identified a change in the total tax rate (a small decrease) and a change in the total amount of taxes on an average homestead property (a small increase, taking into account changes in taxable value). He mentioned the deadline for levying taxes that the Tax Assessor-Collector had imposed. There was a discussion, during which the President noted that a nearby district had increased its rate from 10 cents to 12 cents per \$100. There being no other person present to address the Board or make a presentation, the hearing was closed. The attorney presented a draft of a written measure entitled “ORDER SETTING TAX RATE AND LEVYING TAX,” which included the proposed tax rates (total rate of \$0.086 per \$100 of taxable value, composed of \$0.00 for debt service and \$0.086 for maintenance and operations). The order also included an amendment to the District’s information form (to be filed with the County Clerk). There was a discussion, after which Ms. Boulware moved to adopt the order. Director Tibbetts seconded, and, when the question was called, the vote was:

Voting in favor: Doris Hickman, Richard Tibbetts, Janis Boulware, Carolyn Smith, Judy Robert  
Voting against: (none)  
Absent/not voting: (none)

thus adopting the order and levying taxes for TY2022. The order and information form were signed during the meeting.

The tax assessor-collector’s report indicated that 98.66% of the TY2021 tax levy had been received by the end of August.

**6. Engineering matters.** Ms. Vu presented the engineer’s report. She mentioned that the engineers had received revised plans for a build-out of space in the Waterpoint development. She reported that TxDOT was proposing to install pavers in the new medians on SH 105, and there were questions about landscaping instead of pavers. She said the City of Conroe had declined an opportunity to sponsor such landscaping.

Ms. Vu reported an inquiry from Aqua Texas Inc. about acquiring an easement across UD3 property along the west line of the WWTP site. Mr. Tibbetts reported that the Operations Committee had been briefed on the inquiry and had made no comment. There was a general discussion, including how to appraise such an easement, also terms for a possible conveyance, including payment of transaction and appraisal costs.

Ms. Vu and Mr. Roznovsky reported on the proposed recoating project for Water Plant No. 1. There was a discussion, including the provisions of the joint water plant agreement with UD4. After discussion, there was a motion to approve the cost estimate presented by the engineer, subject to approval by the UD4 Board. The President asked the engineers to submit the estimate, along with a letter and the inspection report, and request written approval by the UD4 Board. She asked that the letter mention that the recoating would be in lieu of a much-more-expensive replacement project.

There was a brief discussion of a possible new lift station and sewer influent line in the Harbour Town area, which would divert some sewage flows away from the Capetown Lift Station. It appeared that the facilities could be constructed, but there could be some effect on neighboring properties.

The President reported on a letter about the WWTP from UD4 dated September 15, 2022. She also reported that Mr. Abshire had said the Quiddity Engineering firm would not object to the “pay when paid” clause in the proposed amendment to the engineering agreement. There was a general discussion of the September 15 letter and the agreements between UD3 and UD4. After the discussion, the President asked the attorney to contact the attorney for UD4 to discuss ways to close the gap between the positions of the two Districts, and she indicated that she would call a special meeting to consider any solution that might emerge, or, if no solution emerged, she would call a special meeting to consider a structured mediation.

The President mentioned the possibility of initiating a bond sale for the WWTP project, as recommended by the District's financial advisor. There was a general discussion, after which Director Robert moved to approve and adopt an "ORDER ADOPTING AND AUTHORIZING OFFICIAL NOTICE OF SALE AND BID FORM, AUTHORIZING DISTRIBUTION THEREOF AND A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING PUBLICATION OF NOTICE OF SALE" for a proposed \$6.835 million bond issue. Director Smith seconded, and all voted in favor.

**7. Operations.** Mr. Wright presented the operator's written report. There was a discussion about a major leak on Lake View Circle.

*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 persons 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.** There was no action taken.

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

**11. Other.** The Secretary reported that the December meeting would be set on December 19, 2022, at the same venue as in prior years (the Pappadeaux meeting room on IH 45).

There was a motion to adjourn at about 5:15.PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on October 17, 2022.

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

Jan Chulre, Secretary, Board of Directors



Exhibit A

DOC# 22-1777  
POSTED  
09/16/2022 10:21AM  
GWENDALYNN CAMARENA  
MARK TURNBULL, COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

NOTICE OF MEETING (WITH SUPPLEMENTAL ITEM)  
OF THE BOARD OF DIRECTORS OF  
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 September 19, 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.
2. *Public comments.*
3. *Neighborhood matters*, including Montgomery County Utility District No. 4 (UD4), projects, facilities, etc., also: receive, discuss, consider and act upon reports, drafts and data relating to consolidation of the District with Montgomery County Utility District No. 4 (UD4), as allowed by Chapter 54, Texas Water Code.
4. *Financial matters.* (a) Receive, discuss, consider and act upon: bookkeeper and investment reports; budgets (GF and WWTP); bills/payments, transfers; depository matters (including agreements); audit (report, engagement of auditor and related matters); investments; bonds (TCEQ, proceeds, etc.); and related matters.  
(b) Receive, discuss and act upon: Financial Advisor's recommendation/report, tax calculations, tax data, financial analysis, hearings, tax levies, also: (i) public hearing regarding proposed tax rates; (ii) consider-adopt-set by Order/Resolution the 2022 ad valorem tax rates for maintenance and operation (proposed at \$0.086/\$100) and debt service (proposed at \$0.000/\$100), or other tax rate(s), including information form amendment, form for notice to purchasers, etc.; and other financial and tax matters.  
(c) Consider and Approve Order Adopting and Authorizing Official Notice of Sale and Bid Form, Authorizing Distribution Thereof and a Preliminary Official Statement and Authorizing Publication of Notice of Sale (for new bond issue) 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.
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; engineering and other professional services; 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.
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; cyber-security; meetings; public records; solid waste (including contracts); 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 a 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 Election Administration 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 Utility District No. 3



Date: 9/16/2022