

**MINUTES OF MEETING OF BOARD OF DIRECTORS**  
**November 7, 2022**

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” or “UD3”) met in **special** session, open to the public, on **November 7, 2022, at 2:00 P.M.** 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 President reviewed the membership 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, thus constituting a quorum. Also present at the meeting place were Katherine Vu of Ward, Getz & Associates, PLLC (“WGA”), Philip Wright of Hays Utility North Corporation, and James Dougherty, special counsel. Mr. Chris Roznovsky of WGA arrived during the discussion of the WWTP and proposed improvements. The meeting was called to order by the President, and in accordance with the notice attached as *Exhibit A*, the following business was transacted:

**1. Notices, Etc.** The Secretary reported that the notice had been duly posted, in the form shown in *Exhibit A*, attached.

**2. WWTP and Related Matters.** The President reported that City of Conroe representatives had been invited to attend the meeting, but none could. Mr. Wright and Ms. Vu reported the most recent discussions with City staff (including a discussion with Mr. Greg Hall). Mr. Wright said there was a possibility of deleting some small items from the scope of the project, but he said he could not recommend deleting the entire dewatering facility because of the difficulty of complying with TCEQ sampling rules that would be triggered by an increase in the permitted discharge quantity. He said the biggest concern would be controlling phosphorus levels. He noted that none of the plants operated by the City of Conroe had a phosphorus discharge parameter, so Conroe staff was not familiar with the operational issues involved in controlling phosphorus levels.

Mr. Dougherty mentioned some of the contractual requirements. Mr. Roznovsky provided some background on the City’s position. He said there was a follow-up conference call set for the following Thursday (November 10). He described discussions in 2017 about whether the planned improvements should raise capacity to 1.5 MGD or 1.2 MGD (as described in the SPA’s). He said the Conroe staff all wanted to raise it to 1.2 MGD, and the City Council had concurred.

After further discussion, Director Boulware made a motion to approve and authorize, for simultaneous execution by the President: (1) the Second Amendment with the Quiddity entities, substantially in the form last approved in the email from Mr. Abshire dated October 17, 2022, and (2) the revised draft WWTP agreement, substantially in the form circulated by Mr. Dougherty the previous week (by email dated November 2, 2022), but changing “must” to “may” in Section 2.04 in the phrase “the check or wire may be approved at the next regular MCUD4 Board of Directors; *all subject to:* (i) receipt of full payment of Capacity Reservation Fees from the City of Conroe for 2023; and (ii) receipt

of the Second Amendment signed by the Quiddity entities, substantially in the form last approved in the email from Mr. Abshire dated October 17, 2022. Director Smith seconded, and all voted in favor.

**3. Operations, etc.** Mr. Wright reported on a request to repair or replace a fence around the lift station at the Waterpoint Condominiums. After discussion, Mr. Wright said he would gather additional information and bring it back to the Board. There was a motion to adjourn at about 3:15 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on December 19, 2022.

SIGNED: [Signature], Vice 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*.

[Signature], Secretary, Board of Directors

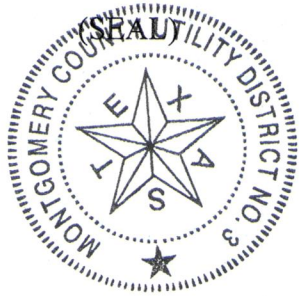


Exhibit A

DOC# 22-2069  
POSTED  
10/28/2022 02:02PM  
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MARY TURNBULL, COUNTY CLERK  
MONTGOMERY COUNTY, TEXAS

**MONTGOMERY COUNTY UTILITY DISTRICT NO. 3  
NOTICE OF MEETING OF BOARD OF DIRECTORS**  
(rescheduling of previously called meeting)

**NOTICE:** 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 special session, open to the public, at 2:00 PM on November 7, 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. (This is a rescheduled date and time for the special meeting originally called for October 31, 2022). The subjects of the meeting are as follows:

1. **Notices.** Meeting notices, agenda, etc.
2. **WWTP and related matters.** Receive, discuss, consider and act upon reports, studies, plans, and data relating to the joint wastewater treatment plant located south of SH 105 near the District and Montgomery County Utility District No. 4 (UD4), including: (i) improvements, expansions, rehabilitation, site, permits, etc. and proposals and contracts relating to same, including proposal and professional services agreement with Quiddity Engineering LLC and related entities; (ii) planning, design, engineering, construction, phasing, etc. and contracts and proposals relating to same; (iii) costs, cost-sharing, agreements (with UD4, City of Conroe, Aqua Texas-Lake Conroe Village, other users) etc., (iv) financing, bonds, TCEQ application, etc.; (v) bonds, debt service, taxes, other revenues, etc.; and (vi) related matters.
3. **Operations, repairs, rehab, etc.** Receive, discuss and act upon matters relating to the District's water, sanitary sewer and solid waste systems and operations including repairs, rehabilitation, costs, billing, contract amendments, change orders, etc.
4. **Other:** (i) inquiries, (ii) cybersecurity training, and (iii) 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: *Juan C. Bullock*, Secretary, Montgomery County Utility District No. 3. Date: Oct 28, 2022

