

5. Taxes, etc. The tax assessor-collector reports were not yet available. The President opened a public hearing on the proposed tax rate. The attorney provided background on the hearing and the tax rate (which the Board had proposed the prior month). He also reviewed the form of the order to levy a tax and adopt an amendment to the District Information Form. The President called for presentations by other persons, but there was none. The President then closed the public hearing. After a discussion, Director Robert made a motion to adopt the “ORDER SETTING TAX RATE AND LEVYING TAX,” which would levy a total tax at the proposed rate (\$0.082 per \$100) and approve an amendment to the District Information Form. Director Boulware seconded the motion, and, when the question was called, the vote on the motion was:

Voting Aye: Directors Hickman, Tibbetts, Boulware, and Robert

Voting Nay: (none)

Absent/not voting: Director Smith

The motion, carrying with it the adoption of the order, was therefore adopted.

6. Engineering matters. Ms. Vu presented the engineer’s report. She reviewed ongoing work and reported on discussions with City of Conroe staff about the WWTP. It appeared that the City was sending sewage flows to the WWTP, but the flows were not being registered by the flow meter. Mr. Wright said he would figure out the appropriate billing (which could require estimation of quantities) and send it. Mr. Dougherty gave some background on the Strategic Partnership Agreement and handed out a summary page with a list of administrative tasks. Ms. Vu said the City staff had indicated that they did not want the City to participate in the project (possibly referring to the entire WWTP improvement project, including the lift station). There were several questions and a discussion. Ms. Vu explained that the City staff had said a written statement of the City’s position would be prepared and presented the following week. She said it did not appear to be necessary to take Board action that day, pending receipt of the position statement.

7. Operations. Mr. Wright presented the operator’s written report. He said that water pumpage was up because of the drought, which also increased water billings. He mentioned a line repair that had to be made beneath a paved driveway. He reviewed cost splits for the water plants.

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.

There was a motion to accept the operator’s report. The motion was seconded, and all voted in favor.

8. Intergovernmental matters. There was no action taken.

9. District policies, etc. There was an update about the agreement with Bailey Bros. for solid waste collection and the Board’s previous approval of an amendment. There was a motion to approve and authorize a further amendment to the agreement to match the changes in allowable waste that were adopted by UD4. The motion was seconded, and all voted in favor.

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

11. Other. The Secretary reported that the regular December meeting was set for December 18, 2023, at 10 AM at the Pappadeaux restaurant on IH 45, in Shenandoah.

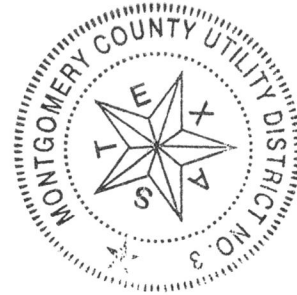
There was a motion to adjourn at about 5:20 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on Oct 16, 2023.

SIGNED: Davis 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*.

[Signature], Secretary, Board of Directors (SEAL)



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

**DOC# 23-1584
POSTED**
09/13/2023 04:44 PM
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L. BRANDON STEINMANN, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

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 18, 2023 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. **Neighborhood matters**, including: rain events and high water (also possible drainage projects); Montgomery County Utility District No. 4 (UD4); projects, facilities, consolidation, services (including water, sewer, solid waste); April Sound POA, etc.
4. **Financial matters.** Receive, discuss, consider and act upon bookkeeper and investment reports; budgets and amendments (GF and WWTP); bills/payments (also payment by Aqua Texas, Inc.); transfers, depository matters (including agreements); audit (report, engagement of auditor); investments and investment policies; Series 2023 Unlimited Tax Bonds (TCEQ, proceeds, bank accounts, collateral, etc.); bookkeeping firms and agreement(s) with same; and related matters.
5. **Taxes, etc.** Receive, discuss and act upon Tax A/C report, tax data, exemptions, tax rates, penalties, collections and related matters, including analysis and recommendation from financial advisor, debt service, tax data, calculated tax rates, proposed tax rates, hearing, notice, tax levy, and other financial and tax matters, including: (i) public hearing regarding proposed tax rates; (ii) consider-adopt-set by Order/Resolution the 2023 ad valorem tax rates for maintenance and operation (proposed at \$0.082/\$100) and debt service (proposed at \$0.000/\$100), or other rate(s), including information form amendment, form for notice to purchasers, etc.
6. **Engineering matters.** Receive, discuss, consider and act upon reports, studies, facilities, and projects, also: (i) wastewater system, including treatment plant, improvements, site, permits, easements, etc.; 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 golf course, 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, City of Conroe, etc.); (iv) UD3-UD4 joint system matters, including water and sewer facilities and contracts, WWTP and other jointly-used facilities, payments, wholesale rates, amendments, negotiations, shared costs, legal advice, adjudication; etc.; (v) Lone Star Groundwater Conservation District and San Jacinto River Authority issues and rules, regulations, contracts, permits, credits, authorizations, transfers, transactions, plans, etc.; (vi) easements, rights of way, other facilities and other projects (including easement requested by Aqua Texas, Inc. on WWTP site); (vii) engineering services procurement, agreements, etc.; and (viii) related matters, including bids, contracts, etc.
7. **Operational matters.** 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, water service for the April Sound golf course, 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 plans, facilities, engineering, construction, etc.; (iii) legislation; and (iv) related matters.
9. **District policies, etc.** Discuss, consider and act upon: District policies (e.g., investment, compensation—including director fees of office or "per diem" rate—and legislatively-authorized increase in fees of office, arbitrage, consultants, solid waste; meeting places, offices, records, etc.); insurance; investments; mandatory trainings; cyber-security; meetings, public records; solid waste (including Bailey Bros. contract, amendment, rates, insurance, claims, damages, etc.); sale of District property; tax suit, Milam County (Lang); 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, upon request of at least 10 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, 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 Intergovernmental Relations 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 Utility District No. 3. Date: Sept 13, 2023

