

5. **Taxes, etc.** Two tax assessor-collector reports were available. One showed 98.58% of FY 2022 taxes paid as of August 31, and the other showed 98.72% paid as of September 30.

6. **Engineering matters.** Ms. Vu presented the engineer's report. She reviewed ongoing work and gave an update on discussions about City of Conroe sewage flows at the WWTP, which were not being registered by the flow meter. After discussion, there was a motion to authorize a second letter to the City about failures to comply with the SPA relating to the measuring equipment and requesting that they be cured. The motion was seconded and adopted. Later in the meeting, there was a discussion about the need to make an agreement with UD4 for construction of improvements to the WWTP when needed (in 2024), taking into account the possibility that the City of Conroe would "pull out" of the project (which was uncertain). At the end of the discussion, the President suggested that the District send a request to the City for the subject to be placed on the agenda for the City council meeting on October 26 (the last Council meeting before the October 30 due date of the CRF payment), so that a District representative could present the correspondence regarding the WWTP and the SPA, and the Council could act upon it. The President also called a special meeting of the Board of Directors for November 8, 2023, at 2:00 PM, in case action would become necessary before the next regular meeting.

7. **Operations.** Mr. Wright presented the operator's written report. He said a pump at the Admin Lift station had to be pulled for inspection and repair (or replacement, if repair would cost more than half the cost of replacement). After discussion, there was a motion to authorize the operator to arrange the necessary repair (or replacement), at a cost not to exceed \$25,000. The motion was seconded and adopted.

Mr. Wright also reported that, when the generator at the water plant was inspected, the enclosure was found to be holding water. He recommended authorization for the engineers to inspect the generators (and their enclosures). There was a motion to authorize the engineers to make that inspection and work with the coating contractor (CFG) to arrange minor touch-ups, etc., but to report back to the Board if there was anything major. The motion was seconded and adopted.

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 an update about the agreement with Bailey Bros. for solid waste collection and the Board's previous approval of an amendment. Mr. Wright said HUNC staff would follow up with the Baileys. Mr. Dougherty recommended that Mr. Wright ask Mr. Bailey to have his insurance agent call to discuss the insurance requirements of the agreement (and provide the necessary certificate of insurance). Mr. Dougherty said he would send the revised-revised amendment (with the expanded list of forbidden items). Mr. Dougherty also briefed the Board on a recommendation received from ACS to conduct an arbitrage analysis each year (not just at the end of the five-year reporting period).

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

11. **Other.** There was no action taken.

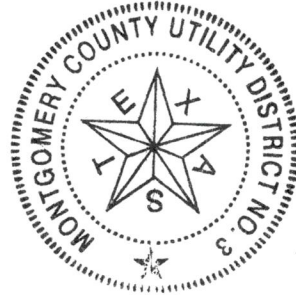
There was a motion to adjourn at approximately 4:40 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on November 20, 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)



DOC# 23-1764
POSTED
10/11/2023 09:05AM
KATIE BURNS
L. BRANDON STEINMANN, COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

**NOTICE OF MEETING
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 October 16, 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, easements, 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 arbitrage policies; Series 2023 Unlimited Tax Bonds proceeds, etc.; 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 debt service, tax data, tax rates, hearing, notice, tax levy, and other financial and 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, 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, breach, annexation, services, WWTP, building/plumbing codes (and related plans, permits, inspections, etc.); (ii) SH 105-TxDOT plans, facilities, engineering, construction, etc.; (iii) legislation; (iv) mediation, litigation, attorneys, etc.; and (v) 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, 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, 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: J. C. Bulee

Secretary, Montgomery County Utility District No. 3



Date: Oct 11, 2023