

meter, the consensus was that the City should have the repairs done by its own contractor—and convey the equipment to the District--before the District would accept the meter and begin calibrating and repairing it under the agreement.

Ms. Vu reported that the City staff was asking about a payment plan for the first monthly billings for use of the WWTP. The billings had not yet been computed, because the meter was not working, which made it appear that there was no usage. Ms. Vu reported that she had discussed costs of the proposed improvements with City staff, as well as phosphorus removal and the proposed belt press. There was a question about the previously-authorized letter to the City regarding failures to comply with the SPA. The consensus was to hold off on the letter because the City was taking steps to comply. There was a brief discussion about new businesses in the Waterpoint development, including an oral surgery office, an ice cream store, and a “potato bar.” Ms. Vu also reviewed flow reports for the WWTP and Lake Conroe Village.

7. Operations. Mr. Wright presented the operator’s written report. He said that without the proposed belt press it would not be possible to have twice-weekly sampling and meet the phosphorus parameter for discharges from the WWTP. He said there was a lot of activity (and repairs) at the Admin Lift Station, apparently caused by the age of the facility. There were questions about items in the report. He said there was high usage through some of the POA meters, but investigation had shown that most of it resulted from flows occurring at “regular intervals” usage, but a small portion (maybe 10%) was caused by a leak, which had been repaired. He said the POA representatives had recognized that no adjustment was appropriate.

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 a discussion of City of Conroe issues earlier in the meeting.

9. District policies, etc. Mr. Dougherty gave an update about the agreement with Bailey Bros. for solid waste collection and the previously approved amendment. Mr. Wright said HUNC staff would follow up with Mr. Bailey about signing the amendment. Mr. Dougherty said he had spoken with Mr. Bailey’s second insurance agent who had promised an updated certificate of insurance.

Mr. Dougherty reported that Arbitrage Compliance Specialists, Inc. had proposed a new engagement letter to conduct: (i) an arbitrage analysis each year (not just at the end of the five-year reporting period) and (ii) a “project yield restriction calculation” each year after the three-year temporary period. There was discussion and a motion to authorize the proposed new engagement letter. The motion was seconded and adopted.

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

11. Other. There was no action taken.

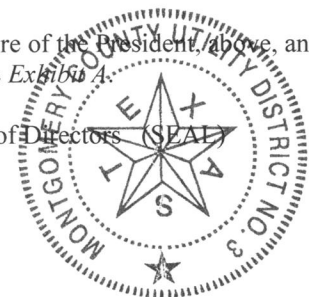
There was a motion to adjourn at approximately 4:55 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on December 18, 2023

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.

Jacob, Secretary, Board of Directors



DOC# 23-1970
POSTED
11/14/2023 08:53AM
Maraena Durrenberger
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 November 20, 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:

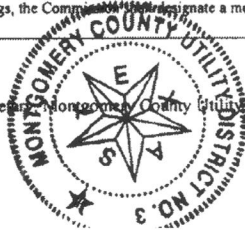
1. **Notices, Minutes.** Notices; minutes of current and prior meetings; etc.
2. **Public comments.**
3. **Neighborhood matters**, including: rain events and high water (also possible drainage projects); Montgomery County Utility District No. 4 (UD4); projects, facilities, easements, consolidation, services (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 wastewater treatment plant (WWTP), 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, WWTP, breach, annexation, services, building/plumbing codes (and related plans, permits, inspections, etc.); (ii) SH 105-TxDOT plans, facilities, engineering, construction, etc.; (iii) legislation; (iv) remedies, 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; 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: James Burke

Secretary, Montgomery County Utility District No. 3



Date: 11/14/2023