



6. *Engineering matters.* Ms. Vu presented the engineer's report. She gave an update on the recoating project. There was a motion to approve Pay Estimate No. 1 in the amount of \$82,125.00 for that project (CFG Industries LLC being the contractor). Ms. Vu also requested approval of a revised Change Order No. 3 in the amount of \$17,156.46 (to correct the final contract amount, with all changes) and Pay Estimate No. 6 in the amount of \$369,858.59 for the sanitary sewer rehabilitation project (Insituform contract).

Ms. Vu gave an update on the inquiry to the country club about drainage in the Waters Edge area, also the City of Conroe measuring equipment at the WWTP. She mentioned that the City staff was concerned about the pending billing for use of the WWTP. There was discussion about new businesses opening in the Waterpoint development. Ms. Vu said that work on the Transmission Waterline Replacement project (for some of the lines inside the ring of pressure-reducing valves) had been put on hold during the discussions with UD4 about consolidation, but the engineers would be bringing an updated cost estimate and a client memo for that project to the February Board meeting.

Ms. Vu briefed the Board on the effect of WGA's hourly rate increases. She said a new engineer, Mr. Luke Broseman, would be working on UD3 projects, and his services would be billed at "Engineer 1" rates (which would help reduce the impact of the other increases).

Ms. Vu said there was an engineering meeting set with City of Conroe staff, including Mr. Chris Bogert. Mr. Tibbetts asked about questions that came up at the 90% plan review. She said the City apparently intended to hang on to the full 300,000 GPD it had reserved in the SPA's and use part of that capacity to serve Chapel Run and nearby developments.

There was a discussion about the phosphorus parameter in the WWTP discharge permit, including the possibility of getting it dropped from the permit. Ms. Vu mentioned that the frequency of sampling affected the degree of difficulty in meeting the parameter, also that the point of discharge affected the analysis of a change in permit parameters. In any event, it appeared that getting a change in permit parameters approved by TCEQ might take years. There were questions about other ramifications of changing the permit, including dropping or phasing the belt press or, possibly, using some of the effluent to irrigate the golf course. The engineers explained that phasing would likely not reduce the total cost. There was a discussion about the possibility of staging the increase in the volume parameter (to hold it below 1.0 MGD), also possible alternatives to the design of the belt press facility. Mr. Wright said he thought the District should take a closer look at how the stream standards were established for Lake Conroe and whether they were correct, etc. There was a question about other plants discharging into Lake Conroe.

After discussion, there was a motion to accept the engineer's report and to approve the following for the sanitary sewer rehabilitation project (Insituform contract): (i) Change Order No. 3 in the amount of \$17,156.46 (to correct the final contract amount, with all changes) and Pay Estimate No. 6 in the amount of \$369,858.59. The motion was seconded and adopted.

7. *Operations.* Mr. Wright presented the operator's written report and discussed some of the items in the report. There was a question about whether LSGCD's policy on permit quantities included a "use it or lose it" provision. He reported on work at the water plant that would be split with UD4. He mentioned a homeowner's concern about a possible sinkhole or soil displacement and said it might be possible to inject grout to stabilize the affected areas.

Mr. Wright said the pump at the Admin Lift Station had suffered from water intrusion. He said there was an estimate of \$20,516 to rebuild the pump, but replacement would cost less than \$35,000. There was a discussion, and the consensus was to have it rebuilt.

*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 on the May 4, 2024, Director's Election. He described the papers that Ms. Koett had prepared, including agreements with Montgomery County and an order to call the election. There were questions about filing deadlines, appointments to fill vacancies, etc. After checking the calendar, the Board rescheduled the regular February meeting to 3:00 PM on February 20, 2024, at the regular place. There was also a motion to approve and authorize the two agreements with Montgomery County. The motion was seconded and adopted. There was a motion to adopt the order to call the election. The motion was seconded and adopted.

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

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

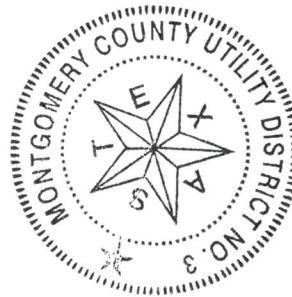
There was a motion to adjourn at approximately 4:20 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on Feb. 20, 2024.

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*.

Joe Chiles, Secretary, Board of Directors (SEAL)



DOC# 24-0074  
POSTED  
01/10/2024 09:20AM  
Shelby Curry  
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 January 15, 2024** 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.
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/maintenance; drainage; grounds; other projects; claims; easements (and encroachments); water audits/conservation; drought contingency; utility services, water for the April Sound golf course, policies, rates; charges (including increases); rate order amendments; 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; election matters, Order Calling Director Election to be held on May 4, 2024, and agreements with Montgomery County for joint election; 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 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.

**AVISO:** Tome nota de que la Junta Directiva del Distrito de Servicios Públicos del condado de Montgomery, celebrará una reunión el 15 de enero de 2024 a las 2:00 PM en 375 Lake Meadows Drive, Montgomery, Texas 77356 en el condado de Montgomery, Texas, con las siguientes asignaturas, entre otras: asuntos electorales. Orden de Convocatoria de la Elección de Director que se llevará a cabo el 4 de mayo de 2024, y acuerdos con el Condado de Montgomery para la elección conjunta.

Signed:  , Secretary, Montgomery County Utility District No. 3. Date: 1/10/2024

