

Roznovsky mentioned the possibility of establishing a new water interconnection. Ms. Vu indicated that the “worst case” scenario (simultaneous multiple failures) was improbable.

Ms. Vu gave an update on the condition of the UD3 lift stations. She said that conversion of the Admin Lift Station to a conventional “wet well” design had been recommended for the following year. She mentioned additional work to be done.

Ms. Vu briefed the Board on a water transmission line project, and she gave an update on the recent planning by the City of Conroe for use of the WWTP. She said John Bleyl was recommending postponement of the WWTP improvements—except the lift station—because it was not clear when (or if) the City would be needing increased capacity. Mr. Wright asked about when the TCEQ should be notified about increased flows and when the WWTP capacity would need to be increased to the 1.2 MGD level. The engineers explained that notices had to be given during the construction process and at “start up” of new facilities. Mr. Wright explained that big operational costs would be incurred when the capacity (or flow) goes above 1.0 MGD. There was a discussion about the possibility of restricting pump capacity at the new lift station. Mr. Roznovsky gave an update on proposed new sewer facilities to serve MUD 183—which could be used to divert the City of Conroe’s flows away from the WWTP--but it was not clear when those facilities would be constructed. It was also unclear if the City would need capacity in the WWTP to serve other areas.

There was an extended discussion, including both the “75%” and “90%” trigger levels under TCEQ rules, also the possible costs for construction-phase engineering. Mr. Wright described problems with sludge thickeners that had been encountered at MUD 8. There was a discussion about the advantages and disadvantages of proceeding with only part of the improvements. The attorney mentioned the negotiations (between NRF and Coats Rose attorneys) regarding the WWTP improvements, also the possible need for an agreement with Quiddity Engineering for construction-phase engineering services. He also mentioned that the old 2011 agreement contained a provision for operation and maintenance expenses that could cover work on the lift station. The President indicated that she would raise the questions about the WWTP improvements at the upcoming meeting of the plant Operations Committee.

Earlier in the meeting, there was a motion to approve Pay Estimate No. 1 under the CFG contract in the amount of \$102,825. 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. He mentioned possible intrusion of lake water into sanitary sewer systems (which apparently happened in the Walden area). He described cost splits for jointly used facilities, and there were questions about specific expenses. He described a manhole that was “completely engulfed” by a tree, which had apparently caused a stoppage. He recommended taking action to avoid a blockage of the main line, and there was a discussion about possible approaches. There was a request for the engineers to gather additional information.

Mr. Wright asked for authorization to cease active collection measures for a list of accounts. There was motion to authorize it. The motion was seconded, and all voted in favor.

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. After 5:00 PM, the Secretary checked to determine if any further applications for places on the ballot had been filed and if any declarations of write-in candidacies had been filed. Because only one filing had been received, she signed the state-prescribed form to certify that the election was unopposed and delivered it to the President. At that point, Mr. Tibbetts made a motion to adopt an order (in the state-prescribed form) to cancel the election, because it was unopposed. Director Robert seconded, and all voted in favor. The

President and the Secretary signed the order. There was an inquiry about a possible vacancy on the Board, and there was a brief response (limited to specific factual information, not any appointment).

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

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

There was a motion to adjourn at approximately 5:12 PM. The motion was seconded and adopted.

These minutes were approved by the Board of Directors on March 16, 2024.

SIGNED: Davis 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*.

Jan Chelie, Secretary, Board of Directors (SEAL)



DOC# 24-0365
POSTED
02/15/2024 07:45AM
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**

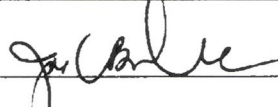
In accordance with chapter 551, Texas Government Code and Section 49.063, Texas Water Code, both as amended, take notice that the Board of Directors (Board) of Montgomery County Utility District No. 3 (District) will meet in **rescheduled regular session**, open to the public, at **3:00 PM on February 20, 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 directors' 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, including arrangements for directors election set for May 4, 2024, cancelation (if unopposed), etc.
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 No. 3, del condado de Montgomery, celebrará una reunión el 20 de febrero de 2024 a las 3:00 PM en 375 Lake Meadows Drive, Montgomery, Texas 77356 en el condado de Montgomery, Texas, con las siguientes asignaturas, entre otras: asuntos financieros, incluidos los arreglos para la elección de directores programada para el 4 de mayo de 2024, cancelación (si ha existido), etc.

Signed: , Secretary, Montgomery County Utility District No. 3. Date: 2/15/2024