

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

July 21, 2025

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY §
MONTGOMERY COUNTY UTILITY DISTRICT NO. 3 §

The Board of Directors (“Board”) of Montgomery County Utility District No. 3 (“District”) met in **regular session**, open to the public on **July 21, 2025**, at **2:00 PM** 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, with the members of the Board being:

Doris Hickman, President
Richard Tibbetts, Vice President
Janis Boulware, Secretary and Assistant Treasurer
Carolyn H. Smith, Treasurer (term expired)
Judy Robert, Assistant Secretary;

and all members of the Board were present, except Carolyn H. Smith, thus constituting a quorum. Also present were Matthew Corley; a resident of the District; Luke Broseman, Bella Aldred, and Katherine Vu of Ward, Getz & Associates, LLC (“WGA”); Brian Lucas of Hays Utility North Corporation; Loren Clark of L&S District Services, LLC; and James Dougherty, special counsel to the District (arriving after the meeting was called to order). The meeting was called to order, and the following business was transacted, in accordance with the notice attached as *Exhibit A*:

1. Notices, Minutes, Etc. The Secretary reported that the notice of the meeting shown in *Exhibit A*, attached, had been posted at the times and places as required by law. The Board considered draft minutes for the meeting held June 16, 2025, as amended. There was a motion to approve them, which was seconded and adopted (4-0).

1a. Officers, Etc. Matthew Corley, who had been appointed as Director to fill the vacancy on the Board (for the unexpired portion of the term ending in May 2028) signed the constitutional written statement, and it was immediately filed. He then took the oath of office and signed an official bond. There was a motion to find and determine that Mr. Corley, having been duly appointed to fill the vacancy, had met all qualifications to serve as Director. The motion was seconded and adopted unanimously. Later in the meeting, there was motion to appoint and re-appoint the following persons as District officers:

Doris Hickman, President
Richard Tibbetts, Vice President
Janis Boulware, Secretary and Assistant Treasurer
Matthew Corley, Treasurer
Judy Robert, Assistant Secretary;

The motion was seconded and adopted, thus appointing such persons to the offices shown.

2. Public comments. There were no public comments.

3. Neighborhood update. There was no representative of Montgomery County Utility District No. 4 (“UD4”) present. The President gave an update on the request of the property owner at 112 April Wind North to put trees (and possibly pots) within the District’s utility easement on that lot or on the District’s adjacent lot at 114 April Wind North. After discussion, there was a motion to authorize a letter to the property owner to: (i) confirm that the District owned the easement and the lot, (ii) advise that putting plants or pots in those areas would interfere with drainage, (iii) state that the District did not consent, and (iv) ask that anything put there be removed (and the letter could also indicate that anything put there would likely be washed away and could cause damage). The motion was seconded and adopted.

4. Financial matters. Ms. Clark presented the bookkeeper's written report and reviewed it with the Board. Following discussion, there was a motion to approve and authorize the checks that had been prepared for payments. The motion was seconded and adopted.

5. Taxes, etc. The tax assessor-collector's report (included in the bookkeeper's report) indicated that 97.06% of FY 2024 taxes had been collected as of the end of the preceding month.

6. Engineering matters.

Ms. Vu presented the engineering report and reviewed it with the Board. She gave an update on the waterline transmission project, after which there was a motion to approve: (i) "Pay Estimate No. 4 and Final" in the amount of \$114,632.50, and (ii) the "Certificate of Acceptance and Certificate of Completion." The motion was seconded and adopted.

Ms. Vu also gave an update on the draft contract with Aqua Texas Inc. and Aqua's request for a wider easement. She presented a drawing showing the wider easement, and she described a location near the northernmost corner of the proposed easement area as the proposed temporary diversion point. There was a general discussion about the proposed temporary diversion point, electrical power, easement areas, etc. After the discussion, there was a motion to authorize the operator, engineer, and attorney to work out the diversion details with Aqua and to authorize the President to execute the contract when those details (and the remainder of the wording in the contract, also the wider easement area) were worked out. The motion was seconded and adopted.

Ms. Vu reported that the WWTP Lift Station contract was being advertised, and bids were set to be opened July 23. Ms. Vu and Mr. Dougherty gave an update on the proposed small easement for the sanitary sewer line rerouting (to save a large tree on the edge of the golf course near 116 April Wind Dr South), including a report from the lender that the lienholder consent was not necessary. There was a motion to authorize completion of the easement document without a lienholder consent, and to authorize the President to accept the easement when it is granted.

Later in the meeting, there was a motion to authorize the engineers to work on a drawing to illustrate the District's water and sewer facilities on the April Sound Country Club clubhouse site, to be used as an exhibit to the letter giving notice to the club owner. The motion was seconded and adopted.

7. Operations. Mr. Lucas presented the operator's written report and reviewed it with the Board. He described ongoing work and repairs. (Earlier in the meeting he had mentioned a proposal to rehabilitate the main effluent meter at the WWTP.)

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.

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

11. Other. There was no action taken.

The meeting adjourned at approximately 4:10 PM.

These minutes were approved by the Board of Directors on 8-18, 2025

SIGNED: Barbara Dickman, 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*.

Judy Roberts
Judy Roberts, Assistant Secretary, Board of Directors (SEAL)

Exhibit A
Exhibit A

DOC# 25-1299

POSTED

07/15/2025 04:05PM

AIRN PREVITI

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 July 21, 2025 at the offices of Hays Utility North Corporation (the District's utility operator) at 375 Lake Meadows Dr., Montgomery, Texas 77356, in Montgomery County, Texas. The subject of the meeting includes these items:

1. **Notices, Minutes.** Notices; minutes of current and prior meetings, including amended minutes; related matters.
- 1a. **Appointments, etc.** Appointment of Director to fill vacancy; qualification, written statement, oath, bond, etc.; election/appointment of officers; etc.
2. **Public comments.**
3. **Neighborhood matters.** including: rain events, high water, and drainage; Montgomery County Utility District No. 4 (UD4); projects, facilities, easements, consolidation, services, etc. (including WWTP, water, sewer, solid waste); April Sound POA, claims relating to waterline transmission project (Faith Utilities), 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, backups; audit engagement, etc.); investments; 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, lift station, site, permits, easements (including grant of easement on WWTP site to Aqua Texas, Inc.) , etc.; collection system and flow reduction; operations committee issues; engineering; other professional services; construction and rehabilitation projects; capacity and permit increases; repairs; shared costs; agreements (including agreements with Aqua Texas, Inc., UD4, City of Conroe, etc.); enforcement; temporary and wholesale services; fees and contract payments; etc.; (ii) drainage, including golf course, improvements, District-owned lot at 114 April Wind North and related drainage facilities, and other properties 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; (iv) UD3-UD4 joint system matters, including water and sewer facilities and contracts, WWTP and other jointly-used facilities, ownership, title, payments, wholesale rates, amendments, negotiations, measuring equipment, 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 waterline and sewer rehabilitation) ; (vii) engineering services agreements, etc.; and (viii) related matters, including bids, contracts, etc.
7. **Operations/ matters.** Receive, discuss and act upon operation report, also: customer matters; repairs; maintenance; drainage; other projects; claims; easements; encroachments; water audits/conservation; drought; utility services; golf course; policies; rates; charges (including increases); rate order; consumer confidence report; PFAS class action litigation; 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 matters (WWTP, strategic partnership agreements, payments, breach, remedies, etc., also annexation, services, building/plumbing codes, plans, permits, inspections, polling places, 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, 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; elections; appointment of Director to fill vacancy; etc.
10. **Executive session(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 item listed above includes discussion, consideration, action, etc. (2) Items 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 713-850-1900 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, or written protest of at least five of these 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 shall 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 protest, to designate a suitable 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 Texas Commission on Environmental Quality may designate a place inside or outside the District which is reasonably available to the public and request that the meeting be held at such place.

Signed: 

, Secretary, Montgomery County Utility District No. 3.

Date: 7/15/2025

