

## 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, the Board of Directors (Board) of Montgomery County Utility District No. 3 (District) will meet in **rescheduled regular session**, open to the public at **10:00 AM** on **December 15, 2025** at the Pappadeaux Seafood Kitchen restaurant (The Lounge room), 18165 Interstate 45 South, Conroe, Texas 77385 18165 I-45, Conroe, TX 77385 18165 I-45, Conroe, TX 77385 in Montgomery County, Texas. The subject of the meeting includes these items:

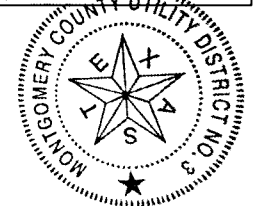
1. **Notices, Minutes.** Notices; minutes of current and prior meetings, including amended minutes; related matters.
2. **Public comments.**
3. **Neighborhood matters,** including: rain events, high water, and drainage; Montgomery County Utility District No. 4 (UD4); projects, facilities, , etc. (including WWTP, water, sewer, solid waste); April Sound POA; etc. etc.
4. **Financial matters.** Receive, discuss, consider and act upon bookkeeper and investment reports; bills/payments; transfers; depository matters (including agreements); proposed general fund budget for FY 2026 (available on the home page of the District's Internet website, at <https://www.mcu3.com/>; see, also, attached Taxpayer Impact Statement), audits and auditors (qualifications, engagement, etc.); investments; bond proceeds, capital projects fund, debt service, transfers, 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, capital improvement plan, 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 flows; 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, studies, improvements, District-owned lot at 114 April Wind North, fence along SH 105 and areas near Summers Wind, and other properties and facilities; (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. **Operational 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 sessions(s)** under Sections 551.071-551-084, Texas Government Code regarding items 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 713-880-8808 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:** Se notifica por el presente que la Mesa Directiva del Distrito de Servicios Públicos No. 3 del condado de Montgomery, celebrará una reunión el 25 de diciembre de 2025, a las 10:00 AM en el Pappadeaux Seafood Kitchen restaurante, 18165 Interstate 45 South, Conroe, Texas 77385 (la sala llamada "The Lounge") in el condado de Montgomery, Texas, con las siguientes asignaturas, entre otras: asuntos electorales

Signed: Janis C. Boulware, Secretary, Montgomery County Utility District No. 3.  
Date: 12/9/2025



The following is included in the attached NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY UTILITY DISTRICT NO. 3 for meeting on December 15, 2025:

**TAXPAYER IMPACT STATEMENT**

|   | Current Budget<br>Fiscal Year Ending<br>12/31/2025** | Proposed Budget<br>Fiscal Year Ending<br>12/31/2026** | No-New-Revenue<br>Tax Rate Budget*** |
|---|--|---|--------------------------------------|
| Estimated District Operations and<br>Maintenance Tax Bill on Average Homestead* | \$ <u>560.57</u>                                     | \$ <u>694.97</u>                                      | \$ <u>560.57</u>                     |

\*The District levies taxes in accordance with the Texas Water Code. The District's current operations and maintenance tax rate is equal to \$0.851 per \$100 for TY 2025 (and it was \$0.0828 per \$100 for TY 2024) of assessed value. Average homestead values are determined by the county appraisal district. All estimates above were prepared utilizing the average resident homestead value as of the time that the District's most recent Truth in Taxation worksheet was prepared in accordance with the Texas Water Code.

\*\*Average tax bill estimates for the current and proposed budgets reflect those taxes necessary to fund the operations and maintenance tax revenues stated in the applicable budget.

\*\*\* This column estimates the operations and maintenance taxes to be paid on the average homestead if the proposed budget generates the same amount of operations and maintenance tax revenues as the current budget.

**DISCLAIMER:** This statement is prepared pursuant to Texas Government Code, Section 551.043(c) as amended by House Bill 1522, 89th Leg., regular session. This District has used Texas Water Code equivalent calculations in place of the Tax Code, Chapter 26 "no-new-revenue tax rate" referenced in HB 1522 and has used average homestead value as required by Texas Water Code Section 49.236 rather than the median homestead values specified in HB 1522. These modifications are necessary because the referenced Tax Code provisions do not apply to the District.

Please note that the rates utilized below may not conform exactly to the O/M rate levied by the Board. The average homestead value should be the average resident homestead value shown in the most recent truth in taxation worksheet prepared by the Tax Assessor Collector on behalf of the District.

*Taxes for Current Budget and No-New-Revenue Tax Rate Budget:*

|   |   |  |
|---|---|--|
| Average Homestead Value Shown in Most<br>Recent Truth in Taxation Worksheet | X | O/M Tax Rate Used to Produce Projected<br>O/M Levy in Current Budget |
|---|---|--|

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*Taxes for Proposed Budget:*

|   |   |   |
|---|---|---|
| Average Homestead Value Shown in Most<br>Recent Truth in Taxation Worksheet | X | O/M Tax Rate Used to Produce Projected<br>O/M Levy in Proposed Budget |
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