

# MINUTES OF MEETING OF THE BOARD OF DIRECTORS

January 19, 2026

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, at **2:00 PM** on **January 19, 2026**, 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, with the members of the Board being:

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

and all members of the Board were present, except Matthew Corley (who joined the meeting in progress), thus constituting a quorum. Also attending the meeting were Luke Broseman and Chris Roznovsky of Ward, Getz & Associates, LLC (“WGA”); Philip Wright of Hays Utility North Corporation; Tiffany Carden of L&S District Services, LLC; and James Dougherty, special counsel to the District.

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 of December 15, 2025, as revised. There was a motion to approve them, which was seconded and adopted.

**2. Public comments.** There were no public comments.

**3. Neighborhood update.** There was no special update.

**4. Financial matters.** Ms. Carden presented the bookkeeper’s written report and reviewed it with the Board. She mentioned some of the larger transactions and the budget performance reports for the General Operating Fund and the WWTP. After discussion, there was a motion to accept the bookkeeper’s report and authorize the checks that had been prepared for payment. The motion was seconded and adopted.

**5. Taxes, etc.** The tax assessor-collector’s report (shown in the bookkeeper’s report) indicated that 57.14% of FY 2025 taxes had been collected as of the end of the preceding month.

**6. Engineering matters.** Mr. Broseman presented the engineering report and reviewed it with the Board. He and Mr. Roznovsky reviewed the start of work on the WWTP lift station project, and also other ongoing projects. They mentioned upcoming engineering work, including the annual water plant inspection. There was a question about the installation of diversion facilities at the WWTP by Aqua Texas, Inc. They reported that the facilities had been installed and were ready for use (as needed). There was a motion to accept the engineering report, including authorization of the 2026 Annual Water Plant Inspection. The motion was seconded and adopted.

**7. Operations.** Mr. Wright presented the operator’s written report and reviewed it with the Board. He pointed out the pumpage figures for the water plants, also the gallons of wastewater treated. He mentioned some of the larger work items and an upcoming repair.

*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.

The special counsel presented duplicate originals of the amendments to the two operation contracts (with Hays Utility North Corporation) with the new rate schedules. Both amendments had been authorized by the Board at its December meeting. Mr. Wright and the President signed the duplicate originals of each amendment during the meeting, and one of each was returned to Mr. Wright.

**8. Intergovernmental matters.** There was no action taken on these items, but agreements with Montgomery County which were considered and acted-upon later in the meeting; see below.

**9. District policies, etc.** There was no action taken.

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

**11. Other.** The Secretary and the special counsel gave an update on preparations for the May 2, 2026, general election (for Directors). They reviewed the election timetable, including deadlines for formally ordering the election and for filings by candidates. They described the proposed agreements with Montgomery County for conducting the election jointly. After discussion, there was a motion to authorize the Secretary to sign the proposed agreements with the County and provide related information and materials as requested by the County. The motion was seconded and adopted. There was also a motion to adopt a written measure entitled "ORDER CALLING DIRECTORS ELECTION" which formally ordered the May 2, 2026 election. The motion was seconded and adopted. Both the President and the Secretary signed the certificate for the order.

The meeting adjourned at approximately 4:15 PM.

These minutes were approved by the Board of Directors on February 16, 2026.

SIGNED: Davis Heckman, President, Board of Directors

ATTESTATION & CERTIFICATION. By signing below, the undersigned 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 Chale, Secretary, Board of Directors (SEAL)

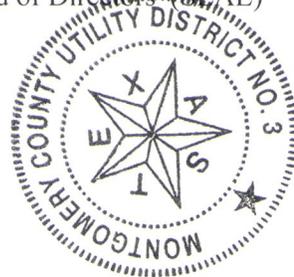


Exhibit A

DOC# 26-0088  
POSTED  
01/13/2026 12:23PM  
Preston Kolb  
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 19, 2026**, 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.
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.
4. **Financial matters.** Receive, discuss, consider and act upon bookkeeper and investment reports; bills/payments; transfers; depository matters (including agreements); audits; 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, facilities, and other projects (including waterline and sewer rehabilitation and use of golf course property); (vii) engineering 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, including agreements with Montgomery County; 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 19 de enero de 2026, a las 2:00 PM en 375 Lake Meadows Drive, Montgomery, Texas 77356 e *oficina* de Montgomery, Texas, con las siguientes asignaturas, entre otras: asuntos electorales, incluidos los acuerdos con el condado

Signed: Jania C. Boulware, Secretary, Montgomery County Utility District No. 3.  
Date: 1/13/2026

