

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
January 16, 2020

THE STATE OF TEXAS           §  
  §  
COUNTY OF MONTGOMERY   §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Regular Session, open to the public, on the 16<sup>th</sup> day of January, 2020, at 5:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the following officers and members of the Board of Directors were present:

Brenda Webb	Chairperson
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Fred Wetz	Treasurer/Investment Officer
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Richard Tramm	Director

with all of said persons being present, except Directors Tramm and Wetz, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O'Connell, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley and several others from the community, as shown on the attached sign in sheet.

Chair Webb called the meeting to order, announced that a quorum was present.

Director Rogers led in prayer followed by the pledges of allegiance led by Director Carlisle.

As the first order of business, the Board considered receiving questions and comments from members of the audience. Danny Bridges, with the East Montgomery County Fair Association ("Association"), addressed the Board and stated that the Association is seeking financial assistance for the annual fair as weather the last three (3) has caused a decline in revenue.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on December 9, 2019, and December 18, 2019. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on December 9, 2019, and December 18, 2019, as written. Director Rogers seconded the motion, which unanimously carried.

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The Board next considered the status of the 2019 constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that Constable's office will provide a final patrol report next month. He noted that the security patrol program ended on January 15<sup>th</sup>.

The Board next considered the status of development of the District's 12.85-acre site, including the construction of improvements and the leasing of space in the District's office building. Mr. McCrady stated that he is reviewing bids for the ac system repair and for the leak remediation.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Ms. Townley presented the attached financial and investments reports, the utility usage and expense report and discussed the invoices presented for payment. Following review, Director Carlisle made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 16694, 17005 and 17042 through 17268, inclusive, with check nos. 16694, 17005, 17063 and 17090 being voided, four (4) wire transfers and debits for payroll, on the Kingwood Detention Account being check nos. 1000 and 1001, and on the Special Events Fund being check nos. 2722, 2723 and 2725 through 2729, 2731, 2733, 2735, 2741, 2742, and 2744 through 2761 and 2763, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered a report on engineering and construction projects within the Industrial Park, including the status of contract with Drymalla Construction Co., Inc. ("Drymalla") for construction of building #2 for YMER Technology. Mr. Costanza stated that the project is complete and that the building is now occupied and in operation. He noted that there are a few maintenance/punch list items left to complete. He then presented pay application no. 11, in the amount of \$11,959.20 and pay application no. 12, in the amount of \$147,633.40 and recommended the Board approve the payment of same. After discussion, Director Rogers moved that the Board approve the payment of pay application no. 11 and no. 12, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of the sale of dirt excavated from the future detention pond site, including the termination of the contract with TDG for excavation and delivery of dirt and approval of a contract for the sale of dirt to Grand Parkway Infrastructure, LLC. Mr. Costanza stated that Gamma Holdings purchased 9,380 yards of material for fill at a cost of \$39,865.00.

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The Board next considered the status of platting Sections 3 and 4. Mr. Costanza stated that the Section 3 plat is awaiting payment of all taxes, penalties and interest from the landowners and noted that the plat recordation cannot be completed until all taxes, penalties and interest are paid. Mr. Costanza stated that the Section 4 plat was submitted to Montgomery County for recordation in July 2019. He reported that the County Attorney's office inadvertently overlooked preparing the plat for recordation and that the 2019 property tax bills have now been sent out and must be paid before the County will record the plat. Mr. Costanza stated that he is working with the landowners to pay the taxes as soon as possible.

The Board next considered the status of the contract with Solid Bridge Construction for the construction of a detention pond and storm sewer trunk lines to serve the Kingwood Parc project. Mr. Costanza stated that the contractor has dug the pond and installed most of the underground piping. He then presented pay application no. 2, in the amount of \$407,429.37 and recommended the Board concur in the developer's payment of same. After discussion, Director Persson moved that the Board concur in the payment of pay application no. 2, by New Quest, as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next deferred a report on the Economic Development Administration ("EDA") Business Center Building in the Industrial Park, including: a) approval of contract with J.A. Costanza & Associates Engineering, Inc. relative to program management and/or engineering services related to the project; b) authorizing Request for Proposal (RFP) for Architectural/Engineering Services, including negotiations and contract with best qualified candidates from RFQ process; c) authorizing Agreement for Architectural/Engineering Services and preparation of plans, specifications and construction documents; d) approval of plans, specifications and construction documents and authorize Project Bidding Phase; e) review of bids, consider architect's/engineer's recommendations, and consider award of project for construction; f) review pay applications, change orders and construction recommendations and consider approval of same; g) consider final project documents, accept architect's and engineer's certification of completion, and accept project; and h) other items that may arise from time to time.

The Board next considered the following announcements:

- Mr. McCrady distributed and discussed the attached Calendar of Events.
- Mr. McCrady stated that the Directors have been invited to attend a presentation by Laura Lipsky entitled "Trauma Following Disaster" on January 24, 2020 from 10:00 a.m. to 1:00 at Lone Star College-Kingwood.

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- Mr. McCrady stated that the SJRA Board meeting scheduled for January 21, 2020, has been moved to the Lone Star Convention Center. He noted the SJRA will be discussing lowering Lake Conroe in the Spring and in late Summer to lower the flooding risk and damages downstream.

The Board next recessed to Executive Session at 6:01 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code, pending or contemplated litigation pursuant to §551.071, Texas Government Code, matters in which the duty of the attorney to the District under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflict with Chapter 551, Texas Government Code, pursuant to §551.071, Texas Government Code, personnel matters pursuant to §551.074, Texas Government Code and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 7:22 p.m.

The Board next considered the status of economic development agreements. The Board deferred the approval of an Incentive Agreement (“IA”) with Lighthouse Industrial Properties, LLC.

The Board next deferred the approval of an IA with MHTB Enterprises LLC dba Smallcakes Kingwood.

The Board next deferred the status of an IA with Weiz LLC.

The Board next deferred the status of an IA with Keysteel Corp.

The Board next deferred the status of an IA with EXP Controls or its assignees (Stanchi).

The Board next considered the status of an IA with YMER Technology. Mr. McCrady stated that he has received the executed IA from YMER and that the item can be removed from the agenda.

The Board next considered a report on the following activities within the Industrial Park.

The Board deferred the approval of a Conveyance of Utility Facilities for water distribution and wastewater collection facilities to serve Industrial Park, Section 3 (Quadvest) to East Montgomery County MUD No. 3 (“EMC 3”), as the plat has not yet been recorded.

The Board next deferred the approval of a Conveyance of Utility Facilities for wastewater lift station and force main improvements to serve Industrial Park, Section 3 (Quadvest) to EMC 3, as the plat has not yet been recorded.

The Board next deferred the approval of a Conveyance of Utility Facilities for water and sanitary sewer facilities to serve Industrial Park, Section 4 (Clearwater) to EMC 3, as the plat has not yet been recorded.

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The Board next deferred the approval of a Purchase and Sale Agreement with Sigma Fasteners or its assigns, relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with BSD Transport relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement and Option Agreement with Pearson Construction relative to the purchase of a site in the Industrial Park after Mr. McCrady stated that the item can be removed from the agenda.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with Performance Drywall LLC relative to the purchase of a site in the Industrial Park.

The Board next considered the status of a Purchase and Sale Agreement with Levitated Metals Real Estate Holdings, LLC relative to the purchase of a site in the Industrial. Mr. McCrady stated that the property transaction has closed and noted the item can be removed from the agenda.

The Board next deferred the status of an Option Agreement with Stanchi relative to the sale of a 3 acre tract in the Industrial Park.

The Board next considered the approval of a land exchange with Catalyst Trading Services, Ltd. Mr. McCrady discussed the land exchange with the Board. After discussion, Director Persson moved that the land exchange be approved, and that the President and Chair be authorized to take all actions to complete the contract and to close on the land conveyance in connection therewith. Director Rogers seconded the motion, which unanimously carried.

The Board next considered the status of the re-purchase of land previously conveyed to JRA Services LLC d/b/a Hometown Chef Catering Co. Mr. McCrady reported that re-purchase documents are ready for execution by the parties.

The Board next considered the approval of a lease of a 2-acre site to YMER for material storage. After discussion, Director Carlisle moved that the Board approve the lease of the 2-acre site to YMER. Director Zepeda seconded the motion, which unanimously carried.

The Board next deferred the approval of contracts relative to the purchase of land for expansion in the Industrial Park.

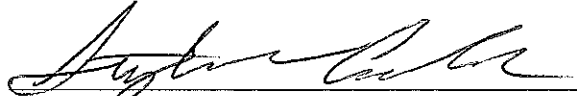
The Board next deferred the review and approval of proposals for use of electronic devices for director information for Board of Directors meetings.

The Board next considered matters for possible placement on future agendas, including the issuance of refunding bonds.

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The Board next noted that a special meeting will be held on February 6, 2020, at noon to call the director election and that the regular February meeting will be held on February 20, 2020 at 5:30 p.m.

There being no further business to come before the Board of Directors, the meeting was adjourned.



Stephen Carlisle  
Secretary, Board of Directors

(SEAL)

