

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
April 8, 2021

THE STATE OF TEXAS §
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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 8th day of April, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Board Room, Room, 103, 21575 US Hwy. 59 North, New Caney, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted member of said Board of Directors, as follows:

Brenda Webb	Chairperson
Stephen Carlisle	Vice Chair
Katherine Persson	Secretary
Leonard Rogers	Assistant Secretary
Fred Wetz	Treasurer/Investment Officer
Martin Zepeda	Assistant Treasurer
Richard Tramm	Director
Ronald Willingham	Director

and all of said persons were present, except Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Mattlage, Ms. Gilbert, Ms. Green, Mr. Mixon, Mr. Greg Phipps, Ms. Kaye Townley and Mr. David Marks.

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

Chair Webb led in prayer followed by the pledges of allegiance led by Director Zepeda.

As the first order of business, the Board deferred receiving questions and comments from members of the audience after Chair Webb stated that no one had signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on March 11, 2021. After review and discussion, Director Zepeda moved to approve the minutes of the Board of Directors meeting held on March 11, 2021, as written. Director Wetz seconded the motion, which unanimously carried.

The Board next deferred the status of construction of improvements and the leasing of space in the District’s office building until later in the meeting.

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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, prepared by Municipal Accounts & Consulting, LP, and discussed the invoices presented for payment. Following review, Director Wetz made a motion to approve said reports as presented and to authorize payment of invoices on the General Operating Fund, debits for payroll, wire transfers, and on the Special Events Account, as set forth on the attached reports. Director Persson 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 the sale of dirt excavated from the future detention pond site. Mr. Phipps stated that no dirt sales occurred during the month.

The Board next considered the status of platting the Industrial Park, Section 3. Mr. Phipps stated that the tax certificates for ownerships within the plat boundary are being ordered from the Montgomery County Tax Office as the taxes are paid. He stated that the plat will be resubmitted once all the 2020 tax certificates are available.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that JAC is working with Montgomery County Pct. 4 to ensure the drainage project is included in the Gene Campbell Boulevard widening project.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the approval of plans, specifications and construction documents and authorizing the Project Bidding Phase. Mr. Phipps stated that the architect’s plans are approximately 80% complete and noted that the civil site plans will be complete the week of April 12, 2021. He stated that JAC is working with the architect to finalize the plans for the bidding approval at the May meeting.

The Board next deferred the approval of a dirt contract, review of bids, consideration of architect’s/engineer’s recommendations, and consideration of award of project for construction.

The Board next deferred actions relating to the EDA Business Center Building.

The Board next considered announcements. Mr. McCrady presented and reviewed the attached Calendar of Events.

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The Board next recessed to Executive Session at 5:38 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. The Board returned from Executive Session at 8:02 p.m.

Director Zepeda exited the meeting during executive session.

The Board next considered the status of construction of improvements and the leasing of space in the District's office building. Mr. McCrady discussed the building repairs and stated the staff will be out of the office for 90 to 150 days. He stated that he is currently looking at temporary office space options.

The Board next deferred a report on the status of the arbitration between Drymalla Construction Co. and the subcontractor on the YMER construction project and requested the item be removed from the agenda.

The Board next considered the status of economic development Incentive Agreements ("IA"), including the status of an IA with Lowe's relative to the construction of a distribution center in the Industrial Park-North. Mr. McCrady stated that he is waiting on Lowe's to return the revised document.

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

The Board next 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 considered the status of the re-purchase of the 4.286-acre tract and the 10.4668-acre tract owned by Powerhouse Industries ("Powerhouse") (formerly World Fab). Mr. McCrady stated that he is in the process of getting the property out of probate court.

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The Board next considered the status of the Purchase and Sale Agreement (“Agreement”) with LAW Investment Holdings, LLP (“LAW”), or its assignee relative to the purchase of a 11.5191-acre tract (10.4668-acre tract owned by Powerhouse) in the Industrial Park. Mr. McCrady stated that LAW is now moving to a different site in the Industrial Park. He stated that once the 12.3-acre tract owned by Catalyst Trading has been reacquired by the District, 8.784 acres of the 12.3-acre tract will be sold to LAW. After discussion, Director Wetz moved to approve the sale of the 8.784-acre tract to LAW. Director Persson seconded the motion, which unanimously carried.

The Board next considered the status of a Purchase and Sale Agreement with The Pallet Guys, relative to the purchase of a tract of land in the Industrial Park. Mr. McCrady stated that he is working on a lease agreement for construction of a 5,500 square foot office building, plus a laydown site. He stated that he is currently searching for a building to lease to The Pallet Guys.

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

The Board next considered the status of a Resolution of Authority relative to the purchase and financing of two (2) tracts of land totaling 112 acres for expansion of the North Industrial Park. Mr. McCrady stated that the land transaction was completed today by EMCID.

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park.

The Board next considered authorizing a petition to annex 112.022 acres of land owned by the District into the East Montgomery County Municipal Utility District No. 3 (“EMC MUD No. 3”), including authorizing the Secretary, Chair and President/CEO, or any of them, to take all actions necessary and to execute the following documents in connection with the annexation request, including: i) Petition for Consent to Include Land in EMC MUD No. 3; ii) Petition for Addition of Certain Land to EMC MUD No. 3; iii) Certificate of Corporate Resolution; and iv) Affidavit of Ownership and Lienholders. After discussion, Director Carlisle moved to approve the documents and authorize the Secretary, Chair and President/CEO to execute and take all actions necessary to proceed with the annexation. Director Persson seconded the motion, which unanimously carried.

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The Board next deferred the approval of the final account of construction costs related to the New Quest/TxDOT detention pond, acceptance of the project as complete, granting of detention easements, entering into a maintenance agreement relative to the detention pond, receipt of funds from TxDOT and payment thereof to New Quest in accordance with the terms of the Developer Reimbursement Agreement, after it was noted that TxDOT still had not approved the conveyance and easement documents or wired the funds.

The Board next discussed cybersecurity awareness training requirements. Mr. Marks stated that the Board and the District staff should have received an email containing a cybersecurity awareness training video for Board members to complete prior to June 14, 2021. He stated that Board members should complete the training and submit the certificate of completion to MRPC.

The Board next considered matters for possible placement on future agendas, including conducting a re-treat meeting.

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

(SEAL)



A handwritten signature in blue ink that reads "Katherine Persson".

Katherine Persson
Secretary, Board of Directors