

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
April 9, 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 9<sup>th</sup> day of April, 2020, at 5:30 p.m., via teleconference, 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	Secretary
Katherine Persson	Asst. Secretary
Fred Wetz	Treasurer/Investment Officer
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Richard Tramm	Director

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

Also present by teleconference were Mr. Frank McCrady, Mr. Joe O’Connell, Mr. David Marks, Mr. Ben Morse, Ms. Brandi Eckersley, Mr. Joe Costanza, Ms. Kaye Townley and Mr. John Howell.

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

As the first order of business, the Board deferred receiving questions and comments from members of the audience, after Chair Webb noted that no members of the public were present.

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on March 11, 2020 and March 23, 2020. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on March 11, 2020 and March 23, 2020, as written. Director Zepeda seconded the motion. A roll call vote was conducted, and with all seven directors present voting in the affirmative, the motion unanimously carried.

The Board next discussed emergency prepared measures related to the COVID-19 pandemic. Mr. Marks discussed the letter of emergency which has been executed by the Chair relative to the delegation of certain duties and establishment of certain meeting procedures during the duration of the pandemic.

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The Board next deferred the appointment of officers and requested that the item be removed from the agenda until after the director election.

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 had nothing new to report.

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 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 Operating Fund being check nos. 17413 through 17433, inclusive, six (6) wire transfers and debits for payroll, on the Kingwood Detention Account, being check no. 1003, on the Debt Service Fund being a wire transfer, and on the Special Events Fund being check nos. 2788, 2789, 2791, and 2795 through 2851, as set forth on the attached reports. Director Carlisle seconded the motion. A roll call vote was conducted, and with all seven directors present voting in the affirmative, the motion unanimously carried.

Mr. Howell next discussed the status of the District's proposed \$8,260,000 Sales Tax Revenue Refunding Bonds, Series 2020 (Taxable) ("Series 2020 Refunding Bonds"). He stated that the District's rating has been confirmed and he has received a bid for insurance. Mr. Howell stated that the Preliminary Official Statement is ready but noted that the bond market is very unstable due to the COVID-19 pandemic. After discussion, the Board concurred to hold proceeding at this time until the market stabilizes.

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 no pay applications were received during the month.

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 no dirt sales occurred during the month.

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 tax penalties and interest from one landowner. He noted that upon payment of the taxes, the plat will be submitted to Montgomery County for approval. He then stated that the Section 4 plat has been approved and recorded.

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The Board next considered the status of the contract with Solid Bridge Construction (“Solid Bridge”) for the construction of a detention pond and storm sewer trunk lines to serve the Kingwood Parc project. Mr. Costanza reported that the project is 70%-80% complete and that the contractor is fine grading the basin and fill areas. He stated that Solid Bridge has completed the drainage pipe and concrete pilot channel that goes through the basin and that TxDOT is now draining Loop 494 into the system.

The Board next considered the status of the drainage improvements along West Industrial Parkway. Mr. Costanza stated that JAC is in the process of completing the plans.

The Board next considered the annual review and adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects. Mr. Marks presented the attached spreadsheet reflecting a survey of the Prevailing Wage Rates for Construction Projects for the Department of Labor and reviewed a Resolution with the Board approving the same. After discussion, Director Persson made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects based on the Department of Labor rates. Director Carlisle seconded the motion. A roll call vote was conducted, and with all seven directors present voting in the affirmative, the motion unanimously carried.

The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park. The Board deferred approval of contract with J.A. Costanza & Associates Engineering, Inc. relative to program management and/or engineering services related to the project.

The Board next deferred authorizing the Request for Proposal (RFP) for Architectural/Engineering Services, including negotiations and contract with best qualified candidates from RFQ process.

The Board next considered authorizing Agreement for Architectural/Engineering Services and preparation of plans, specifications, and construction documents; and the approval of plans, specifications and construction documents and authorize Project Bidding Phase. Mr. Costanza reported that the EDA has approved the standard AIA contract for architectural/engineering services with Joiner Architects. He noted that the contract will now be reviewed by MRPC and then presented to the Board for execution.

The Board next deferred the approval of plans, specifications and construction documents and authorizing the Project Bidding Phase.

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The Board next deferred the review of bids, consideration of architect's/engineer's recommendations, and consideration of award of project for construction.

The Board next considered the status of the contract with TDG General Contractors ("TDG") for the clearing and grubbing to serve the 4.8-acre tract. Mr. Constanza stated that all documents were sent to the EDA yesterday for final approval.

The Board next deferred the review of pay applications, change orders and construction recommendations and the consideration of approval of same; consider final project documents, accept architect's and engineer's certification of completion, and accept project; consider authorizing District's attorney to prepare and submit title opinion in connection with the project land, including obtaining title information in connection therewith; and other items that may arise from time to time.

The Board next considered the following announcements:

- None.

The Board next considered a report on the status of litigation between Drymalla Construction Co. ("Drymalla") and a subcontractor on the YMER construction project. Mr. Costanza stated that the dirt subcontractor has sued Drymalla for nonpayment. Mr. Marks stated that the District is not an actual party to the suit.

The Board next considered the approval of a Resolution Expressing Official Intent to Reimburse Costs of Project ("Resolution") relative to the purchase and development of additional land for the Industrial Park expansion. Mr. Marks reviewed the Resolution and stated it will allow the District to be reimbursed for the purchase of additional land near the Industrial Park out of future bonds. After discussion, Director Zepeda moved to approve the Resolution. Director Wetz seconded the motion. A roll call vote was conducted, and with all seven directors present voting in the affirmative, the motion unanimously carried.

The Board next discussed cybersecurity awareness training requirements. Mr. Marks stated that the Board should have received an email containing a cybersecurity awareness training for Board members to complete prior to June 14, 2020. He stated that Board members should complete the training video and submit the certificate of completion to MRPC.

The Board next recessed to Executive Session at 6:03 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,

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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 6:40 p.m.

The Board next considered the status of economic development incentive agreements (“IA”). The Board then considered the status of the IA with ArmTact, LLC (“ArmTact”). Mr. McCrady stated that the District has disbursed the grant funds for relocation and moving expenses and that the and company has moved into the lease building on East Martin Dr.

The Board next deferred the status of an IA with EXP Controls or its assignees (Stanchi) after Mr. McCrady stated that he had nothing new to report.

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 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.

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

The Board next deferred the status of a land exchange with Catalyst Trading Services, Ltd.

The Board next deferred the status of the re-purchase of land previously conveyed to JRA Services LLC d/b/a Hometown Chef Catering Co.

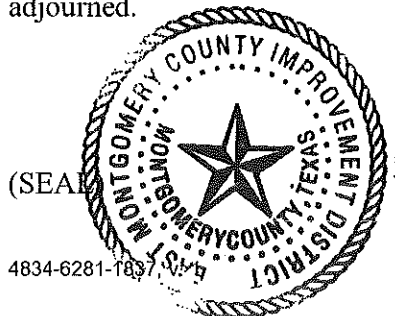
The Board next deferred the status of a lease of a 2-acre site to YMER for material storage.

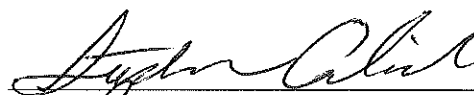
The Board next deferred the status of contracts relative to the purchase of land for expansion in the Industrial Park.

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.

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



  
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Stephen Carlisle  
Secretary, Board of Directors