

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
July 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 July, 2020, 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	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, except Directors Persson and Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Mr. David Marks (by telephone), Mr. Ben Morse (by telephone), Mr. Greg Phipps, Mr. John Howell, Ms. Jennifer Green, Ms. Jan Petersen and Chief Howard Rinewalt.

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

As the first order of business, the Board presented a check to the Montgomery County Emergency Services District No. 7 in the amount of \$100,000 in accordance with its agreement with the District. The Board next deferred receiving questions and comments from members of the audience, after Chair Webb noted that no members of the public signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on June 11, 2020. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on June 11, 2020, as written. Director Wetz seconded the motion, which unanimously carried.

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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 working on resolving all leaks in the building and will then move to the next phase of repairs.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented as reflected in said reports. Mr. O'Connell 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 Operating Fund being check nos. 17438 through 17501, inclusive, four (4) wire transfers and debits for payroll; on the EDA Grant Account, being check nos. 1002 through 1004; on the Plains Kingwood Detention Account being check no. 1005; and on the Special Events Fund being check no. 2942, as set forth on the attached reports. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of the District's proposed Sales Tax Revenue Refunding Bonds, Series 2020 (Taxable) ("Series 2020 Refunding Bonds"). Mr. Howell discussed the status of the refunding bond market and noted that at the March 23, 2020 meeting, the Board authorized GMS to proceed with the sale of the proposed Series 2020 Refunding Bonds in an amount not to exceed \$8,600,000, if the minimum total savings to be realized from the sale of the bonds is at least \$1,800,000, and with the sale authorization to remain in place for 120 days. He stated that the market moved away due to the COVID-19 pandemic and has now moved back. He recommended that the Board confirm and extend the terms previously approved through December 1, 2020. After discussion, Director Carlisle moved the Board adopt a Resolution authorizing the issuance, sale and delivery of the Series 2020 Refunding Bonds, authorize the Board Officers or District Officers to act on behalf of the Board to receive and act upon proposals for the purchase of the Series 2020 Refunding Bonds, including approval of a Plan of Financing and execution and approval of an Officer's Pricing Certificate, Bond Purchase Agreement, Notice of Bond Redemption, General Certificate, Signature Identification and No-Litigation Certificate and any other documents required in connection with the sale of the Bonds, authorize the District's Attorneys to prepare a transcript of the proceedings and take whatever other actions they deem necessary in connection with the sale of the Bonds, and authorize the taking of any necessary actions, relating to the issuance of the Series 2020 Refunding Bonds. Director Zepeda seconded the motion, which carried unanimously. Mr. Howell further noted that he hopes to price the deal

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the week of July 20, 2020.

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. Phipps stated that the building has two (2) warranty issues. He stated that Drymalla responded quickly to address the problems, but the contract will remain open until confirmation that the issues have been adequately resolved. He further noted 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. 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 outstanding tax penalties and interest of approximately \$1,600 have been paid and that the tax certificates will be available the week of July 13, 2020. He stated that submittal of the Section 3 plat to Montgomery County for approval will occur once the tax certificates have been received.

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. Phipps reported that the project is 98% complete and that the only item left to complete is the wall along Loop 494, which is being held up due to the TxDOT Loop 494 construction project. He stated that no pay applications were received during the month.

The Board next considered the status of the drainage improvements along West Industrial Parkway. Mr. Phipps stated that Montgomery County is currently reviewing the plans.

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 JAC has received the Architect’s proposed design and construction schedule.

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. Phipps stated that TDG has removed the timber and is working on the underbrush removal and grubbing. He stated that no pay applications were received during the month.

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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; and other items that may arise from time to time.

The Board next considered the following announcements:

- Mr. McCrady presented the attached Calendar of Events.

The Board next recessed to Executive Session at 6:00 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 7:25 p.m.

The Board next deferred a report on the status of the arbitration between Drymalla Construction Co. and the subcontractor on the YMER construction project.

The Board next considered the status of economic development incentive agreements ("IA"). The Board then deferred the status of the IA relative to new development in the Industrial Park after Mr. McCrady stated that the IA is currently with the client for review. The Board then considered approval of modifications to the IA's with La Huerta Bar & Grill, LLC, Italiano's and Weiz, LLC to extend the move-in date to December 31, 2020. After discussion, Director Wetz moved to approve the modification to the IA's, as set out above. Director Zepeda seconded the motion, which unanimously carried.

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 a Purchase and Sale Agreement with E9 Capital Inc. (Gamma) for purchase of a tract in the Industrial Park. Mr. McCrady stated that the transaction is pending and should be at the title company in approximately 10 days.

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The Board next considered the status of an Option Agreement and lease with Stanchi relative to the sale of a 3-acre tract in the Industrial Park. Mr. McCrady reported that Stanchi terminated its lease last month and that the Option Agreement has been executed.

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 Contract for the sale of land in North Industrial Park and approval of an Option Agreement to sell additional tracts of land. Mr. McCrady discussed the Option Agreement with the Board. After discussion, Director Carlisle moved to approve the Option Agreement and authorize the President/CEO to execute same on behalf of the Board. Director Wetz seconded the motion, which unanimously carried.

The Board next deferred the approval of a Resolution of Authority relative to the purchase and financing of land for expansion of the North 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 grant procedures for the fiscal year 2020-2021. Mr. McCrady stated that nine (9) grant requests were received for the Spring 2020 grant round, that the District deferred approval of the grants due to the COVID-19 pandemic, and noted that the requests would be moved to the Fall 2020 grant round. After discussion, the Board unanimously consented to waive additional requirements and to put the Spring 2020 grant applicants in que for the Fall 2020 grant process.

The Board next considered matters for possible placement on future agendas.


The Board next considered the adoption of an Amended Order Calling Director Election for the election originally scheduled for May 2, 2020 and moved to November 3, 2020, including the appointment of an agent for the District, and the approval of any joint election agreements among the District, Montgomery County and other participating entities as authorized by the Texas Election Code. Mr. Marks advised the Board that notice of the election could be given by one or more of the following methods: (1) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before; (2) posting the notice at a public place in the District at least twenty-one (21) days before the election; or (3) mailing the notice to each registered voter in the District at least ten (10) days before the election. Mr. Marks further advised that, in addition to the above, notice must be posted at the location used for posting notices of the meetings at least

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twenty-one (21) days before the election. Following discussion of the options, it was moved by Director Wetz that the Amended Order Calling the election be adopted, that notice of the election be given by publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before, and that the attorneys for the District be authorized to arrange for said notice to be published and posted and authorize the District to enter into any joint election agreements with Montgomery County and other participating entities as authorized by the Texas Election Code. Director Rogers seconded the motion, which unanimously carried.

Mr. Marks next advised the Board that an agent should be appointed to perform election duties in connection with the Directors Election. After discussion, Director Wetz moved that the Notice of Appointed Agent appointing the law firm of Marks Richardson PC as agent be adopted, that the Chair and Secretary be authorized to execute the Notice on behalf of the Board and the District, and that the attorneys of the District be instructed to handle the mechanics of said election. Director Rogers seconded the motion, which unanimously carried.

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

(SEAL)

