

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
August 14, 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 14<sup>th</sup> day of August, 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 Tramm and Wetz, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Mr. David Marks (by telephone), Mr. Ben Morse (by telephone), Mr. Joe Costanza, Ms. Virginia Blake, Mr. Darrel Ferguson and several others 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 Persson.

As the first order of business, the Board considered questions and comments from members of the audience. Mr. Ferguson with Friends of Splendora EMC Fair Association addressed the Board and stated that due to COVID19, the EMC Fair was cancelled. He stated that funds were distributed to the kids that participated and requested that the District contribute \$5,000 to go towards concessions, awards and judges for the Steer & Heifer Show scheduled for November 21, 2020.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on July 9, 2020. After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meeting held on July 9, 2020, as written. Director Zepeda 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 had nothing new to report.

The Board next considered the review and approval of the updated 2020 Report on Applying Agreed-Upon Procedures to Sales Tax Calculations to Comply with Agreements with Montgomery County Emergency Services District No. 6 ("ESD 6") and Montgomery County Emergency Services District No. 7 ("ESD 7"). Ms. Blake presented and reviewed the attached draft report with the Board. She stated that as of August 13, 2020, the sales tax revenue owed by EMCID to ESD 6 totals \$542,811.49 and the sales tax revenue owed by EMCID to ESD 7 totals \$293,679.22. After discussion on the matter, Director Persson made a motion to approve the Report and the payments of the amounts owed to ESD 6 and ESD 7, as presented. Director Zepeda seconded the motion, which unanimously carried.

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 Carlisle made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 17512 through 17565, inclusive, four (4) wire transfers and debits for payroll; on the EDA Grant Account, being check nos. 1007 through 1009; on the Plains Kingwood Detention Account being check no. 1007; on the Debt Service Fund Account being a wire transfer; and on the Special Events Fund being check nos. 2943 through 2945, as set forth on the attached reports. Director Rogers seconded the motion, which unanimously carried.

The Board next considered the status of the District's \$7,925,000 Sales Tax Refunding Bonds, Series 2020 (Taxable) (the "Series 2020 Refunding Bonds"). Mr. Marks reviewed the attached Closing Memorandum and Final Refunding Numbers with the Board. He noted that the refunding issue attained a net present value savings of 26.47% of the refunded bonds, or \$1,789,343.44, and a gross debt service savings of \$2,310,605.08.

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The Board next considered the approval of various documents required in connection with the closing on the Series 2020 Refunding Bonds, scheduled for Thursday, August 27, 2020. Mr. Marks reviewed the various documents required in connection with the closing. After discussion, Director Persson made a motion to approve all documentation required in connection with the closing, to authorize the Chair to execute and the Secretary to attest to same, and to authorize MRPC to act on the Board's behalf to do all things necessary to effect the closing on the Bonds and the disbursement of proceeds. Director Carlisle 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 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. Mr. Costanza stated that no dirt sales occurred during the month.

The Board next considered the status of platting the Industrial Park, Section 3. Mr. Costanza stated that plat for Section 3 will be submitted to Montgomery County on August 18, 2020.

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 Solid Bridge is installing the concrete fence panels along SH 494. 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. Costanza stated that the plans are currently at the Montgomery County Engineers Office for review.

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. Costanza stated that JAC has reviewed various site plans for the present building and the future site development with the Architect. He stated that Joiner plans to present the plans to the Board at the next meeting.

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

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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. Costanza stated that the project is complete. He then presented pay application no. 1 (final) in the amount of \$65,950.00 and recommended that the Board approve the pay application and accept the project as complete. He noted that after completion, a topographical survey was performed and that approximately 21,000 cubic yard of fill dirt is needed. He stated that JAC is working with the EDA to resolve the issue. After discussion, Director Carlisle moved to approve pay application no. 1 and to accept the project as complete. Director Zepeda seconded the motion, which carried, with Director Rogers abstaining.

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 stated that the Back to School Bash will be held on September 3, 2020 and that the Electronic Recycling Day is scheduled for September 12, 2020.

The Board next recessed to Executive Session at 1:04 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 2:27 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”). Mr. McCrady stated that the IA’s with La Huerta Bar & Grill, LLC, Italiano’s and Weiz, LLC are in the process of being executed.

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.

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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 Purchase and Sale Agreement with PolyWeld USA Inc. relative to the purchase of a tract of land in the Industrial Park, including authorizing the Chair and President to take all actions necessary to close the purchase and sale.

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 at the title company.

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

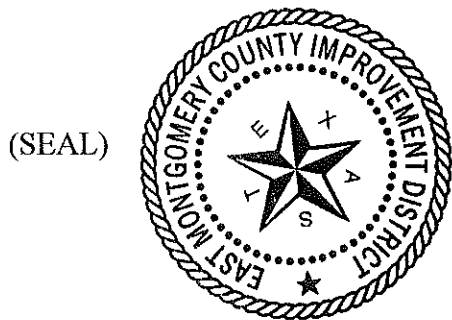
The Board next deferred the status of a Contract for the sale of land in the North Industrial Park.


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 matters for possible placement on future agendas, including internet infrastructure for New Caney ISD and Splendora ISD.

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



  
Stephen Carlisle  
Secretary, Board of Directors