

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
September 10, 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 10<sup>th</sup> day of September, 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 Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Matlage, Ms. Talina Gilbert, Ms. Jennifer Sumner, Mr. David Marks, Mr. Gregg Phipps and Ms. Kaye Townley.

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

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

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 signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on August 14, 2020. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on August 14, 2020, as written. Director Rogers seconded the motion, which unanimously carried.

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 the mold remediation project is scheduled to begin next week and will take approximately one (1) month to complete. He noted that the remediation company is working on the leaks in the college wing.

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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 Drymalla was contacted concerning an alarm that has continually gone off late at night. He stated that warranty issue no. 9 was issued and that Drymalla is determining whether the alarm is related to the Fire System or the Security System to make the repair. He further 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. 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 plat for Section 3 was submitted to Montgomery County on August 26, 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. Phipps stated that a final inspection is scheduled for Friday, September 11, 2020 at 1:00 a.m. He further 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 JAC has a conference call scheduled for Monday, September 14, 2020, with Brian Smith of the Montgomery County Engineering Department to discuss the project. He noted that the project will be bid once approved by Montgomery County.

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 presented and reviewed the attached conceptual land plan for the site prepared by Joiner Architects. He stated that the plan contains the proposed building, currently under design, and future site development. After discussion, Director Rogers moved to approve the site plan, as presented. Director Wetz seconded the motion, which unanimously carried.

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 the project is complete, and the item can be removed from the agenda.

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

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 Operating Fund being check nos. 17566 through 17659, inclusive, two (2) wire transfers and debits for payroll; on the Plains Kingwood Detention Account being check no. 1008 and on the Special Events Fund being check no. 2946, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the following announcements:

- Mr. McCrady presented and reviewed the attached Calendar of Events.

The Board next discussed the 2020-2021 Holiday to Remember Ice Rink and Winter Festival. Ms. Matlage stated that the festival will be held from December 19<sup>th</sup> through January 3<sup>rd</sup> and that the ice rink will be in the former Sam's Warehouse. She stated it will cost \$5 per person to ice skate and \$15 per person to do all the activities. Ms. Matlage stated that there will also be a Christmas Market and reviewed the layout of the market with the Board. She noted that a booth will cost vendors \$100 for a 10'X10' space. She further noted that additional activities will include a snow slide, bumper cars, miniature golf, movies and a train ride. After discussion, the Board requested that Ms. Matlage prepare a budget for the project for the Board's review and approval.

The Board next recessed to Executive Session at 6:18 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 8:21 p.m.

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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 he has received the executed IA’s from La Huerta Bar & Grill, LLC and Weiz, LLC (Pole Yana). He stated that the IA for Italianos is in the process of being executed.

The Board next considered the approval of an IA with DECA Beer Company (“DECA”). He recommended offering a \$30,000 grant for construction improvements. He also presented the executed Form 1295 from DECA. After discussion, Director Carlisle moved that the Board approve the IA with DECA, 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 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 10-acre tract of land in the Industrial Park. Mr. McCrady stated that the transaction is at the title company.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park. Mr. McCrady updated the Board on the status of the various purchase contracts.

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

The Board next considered the approval of a Resolution of Authority relative to the purchase and financing of a 58.1-acre tract of land for expansion of the North Industrial Park. After discussion, Director Persson moved to approve the attached Resolution of Authority. Director Carlisle seconded the motion, which unanimously carried.

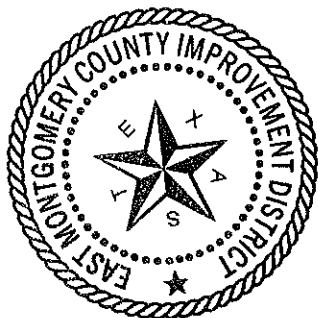
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The Board next deferred the review and approval of proposals for use of electronic devices for director information for Board of Directors meetings.

The Board next considered matters for possible placement on future agendas, including conducting a special meeting to discuss the HHH project.

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

(SEAL)



  
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Stephen Carlisle  
Secretary, Board of Directors