

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 4, 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 4th day of November, 2021, at 5:30 p.m., at the East Montgomery County Improvement District Complex, Conference Room, Room 200A, 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 Directors Rogers Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O’Connell, Ms. Kelley Mattlage, Mr. Greg Phipps, Mr. Josh Rambo, Chief Deputy Barry Welch, Lt. Art Looza, Sgt. Buchanan, Mr. David Marks, Mr. Blake Ellis 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 Wetz led in prayer followed by the pledges of allegiance led by Director Persson.

As the first order of business, the Board deferred receiving 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 meetings held on October 12, 2021 (12:00 p.m.) and October 12, 2021 (5:30 p.m.). After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on October 12, 2021 (12:00 p.m.) and October 12, 2021 (5:30 p.m.), as written. Director Wetz seconded the motion, which passed unanimously.

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The Board next considered the Community Development Grant funding requests and the taking of action to award or deny the grant requests. Chair Webb called roll to confirm that all of the applicant representatives were present. After discussion, Director Persson moved to approve the grant funding as requested on the attached spreadsheet for the following applicants: City of Woodbranch Village, Community Assistance Center, NCHS Project Graduation, New Caney New Horizons, Porter Spartan Women Basketball Boosters, Splendora Athletic Booster Club, Splendora HS Project Graduation and VFW Post 4816. Director Wetz seconded the motion, which passed unanimously. Director Persson then moved to approve the grant funding as requested for Mission Northeast. Director Zepeda seconded the motion, which passed with Director Wetz abstaining. Director Persson next moved to deny the funding request of H-Town Dream Center due to document issues but noted that the applicant can re-submit once the document issues have been resolved. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the approval of the audit report for the fiscal year ended June 30, 2021. Mr. Rambo presented and reviewed the draft audit with the Board. After discussion, Director Wetz moved that the attached audit report for the fiscal year ended June 30, 2021, be approved, that the Chairman be authorized to execute the Annual Filing Affidavit on behalf of the Board and District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality. Director Zepeda seconded the motion, which passed unanimously.

The Board next considered the status of the 2021 constable patrol security program at shopping centers located within the District during the holiday season. Chief Deputy Welch discussed the yearly program and distributed a proposal for security and patrol to be provided beginning Monday, November 15, 2021 through Saturday, January 15, 2022. Mr. McCrady stated that the patrol program is ready to begin and that the District has budgeted \$70,000 for the patrol program, which is the same amount budgeted last year. After discussion, the Board concurred to proceed with the 2021 constable patrol security program within the budget parameters previously approved by the Board for the program.

The Board next considered the status of construction of improvements and the leasing of space in the District's office building. Mr. McCrady stated that the remediation work will be complete by the first week in December.

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The Board next deferred a request for extension of the Grant Agreement submitted by Montgomery County Emergency Services District No. 7 (“ESD 7”) after Mr. McCrady stated he will discuss the grant extension request with the District’s financial advisor and bring a recommendation to the Board.

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 General Operating Fund, debits for payroll and wire transfers, as set forth on the attached reports. Director Zepeda seconded the motion, which passed unanimously.

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 the drainage improvements along Gene Campbell Boulevard. Mr. Phipps stated that he will continue to monitor the project to ensure that Montgomery County Pct. 4 will install the drainage pipes, as a change order, in connection with the Gene Campbell Boulevard widening project.

The Board next deferred the review of bids and authorization of an award of a contract for construction of The Pallet Guys building after Mr. Phipps stated that the plans are being finalized and the project will be advertised for award at the December meeting.

The Board next considered the approval of plans and authorize the engineer to advertise the project for bids relative to the construction of the Titan Environmental USA building (“Titan building”). Mr. Phipps stated that the plans are being finalized and that the project will be advertised for bid for award at the December meeting. After discussion, Director Carlisle moved to approve the plans and authorize the engineer to advertise the project for bids, as set out above. Director Zepeda a seconded the motion, which passed unanimously.

The Board next considered the status of the contract with BSC Management, Ltd., (“BSC”) for the clearing and grubbing of 6 acres out of Reserve B, EMCID Industrial Park, Section 4 to serve the Titan building. He stated that a pre-construction meeting was held on October 26, 2021, that the bonds were reviewed by Marks Richardson PC and that a Notice to Proceed will be issued on November 5, 2021.

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The Board next considered a report on the Economic Development Administration (“EDA”) Business Center Building in the Industrial Park, including the review of bids, consideration of architect’s/engineer’s recommendations, authorize advertisement for bids and consideration of award of project for construction. Mr. Phipps stated that the EDA building center bidding was held on November 2, 2021. He stated that three (3) contractors submitted bids, with the low bid being submitted by Comex Corporation (“Comex”) with a base bid of \$3,047,000. He stated that JAC has contacted several references and recommended awarding the project to Comex contingent upon verification Comex has an active SAM.gov entity number and EDA review and approval of the bid and negotiation of a 10% bid reduction, as the bid is higher than the \$1,500,000 grant amount. After discussion, Director Persson moved to award the contract to Comex, subject to verification of an active SAM.gov entity number and EDA review, approval and bid reduction ,as set out above. Director Carlisle seconded the motion, which passed unanimously.

The Board next deferred the review of pay applications, change orders, construction recommendations, final project documents, acceptance of project and other matters relating to the EDA Business Center Building.

The Board next considered announcements. Mr. McCrady presented and reviewed the attached Calendar of Events. Director Zepeda stated that the food drive last weekend was a huge success.

The Board next recessed to Executive Session at 6:07 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 7:51 p.m.

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 and Mr. Marks are working on same.

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The Board next considered the status of an IA with American Realty Group or its assigns (La Marketa de Porter, LLC). Mr. McCrady stated that the IA is with the developer for execution.

The Board next considered a report on the activities within the Industrial Park, including the status of the Purchase, Sale and Option Agreement with Gromax Development, LLC (“Gromax”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are with the title company and that the transaction is scheduled to close in approximately thirty (30) days.

The Board next considered the status of an Incentive Letter and a Lease Agreement with The Pallet Guys relative to the lease of a drill site and improvements to be constructed thereon in the Industrial Park. Mr. McCrady stated that the building design is in process and that he is working to get the lease signed.

The Board next considered the status of the Purchase and Sale Agreement with Electronic Technical Services Corporation (“ETSC”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are with the title company and that the transaction is scheduled to close in approximately thirty (30) days.

The Board next deferred the status of an Incentive Letter and a Lease Agreement with Titan Environmental USA relative to the lease of land and improvements to be constructed thereon in the Industrial Park after Mr. McCrady stated that the engineer is waiting on receipt of the executed Incentive Letter and Lease Agreement to complete the plans.

The Board next considered the status of the Purchase and Sale Agreement with Acacia, LLC (“Acacia”) relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that all of the real estate transactions documents are pending with Acacia’s attorney.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park, including the 29.1-acre tract. Mr. McCrady stated the purchase of the 29.1-acre tract has closed and that the District will request the property be annexed into East Montgomery County MUD No. 3.

The Board next considered the approval of a Resolution of Authority (“Resolution”) relative to the purchase and financing of the old ESD 6 fire station property. After discussion, Director Wetz moved to approve the Resolution, as set out above. Director Zepeda seconded the motion, which passed unanimously.

The Board next deferred the status of the sale of a 127-acre tract of land in the North Industrial Park after Mr. McCrady stated he had nothing new to report.

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The Board next considered the approval of a Purchase and Sale Agreement relative to the purchase of additional land for expansion of the Industrial Park and authorize negotiations for financing in connection therewith. After discussion, Director Persson moved to approve the Purchase and Sale Agreement and to authorize negotiations for financing relative to same. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of a Purchase and Sale Agreement relative to the purchase of approximately 40 acres of land for park development. Mr. McCrady reviewed the terms of the offer with the Board. After discussion, Director Carlisle moved that Mr. McCrady be authorized to proceed with the offer. Director Persson seconded the motion, which passed unanimously.

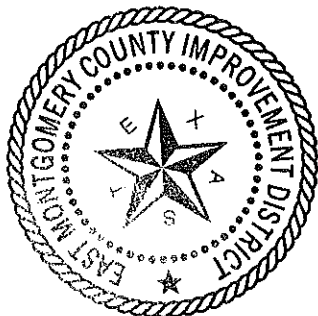
The Board next considered the status of a petition to annex 112.022 acres of land owned by the District into East Montgomery County MUD No. 3 (“No. 3”). Mr. Marks reminded the Board that the petition was approved by the City of Conroe (“City”) on June 24, 2021, contingent upon No. 3 agreeing to enter into a Strategic Partnership Agreement (“SPA”) with the City of Conroe within the next 180 days and noted that same is pending. He noted that the Resolution cannot, under State law, contain contingencies and that therefore, the Resolution must expire and be re-approved after No. 3 and the City have approved the SPA.

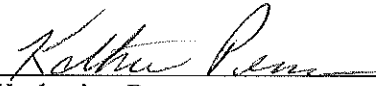
The Board next considered authorizing the President/CEO to execute a receipt for payment of remaining funds by East Montgomery County MUD No. 3 to the District relative to the reimbursement for projects constructed in Industrial Park, Section 3. After discussion, Director Carlisle moved that the President/CEO be authorized to execute the receipt, as set out above. Director Persson seconded the motion, which passed unanimously.

The Board next considered matters for possible placement on future agendas. Mr. McCrady noted that the December Board of Directors meeting will be held on December 13, 2021, at 5:30 p.m.

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

(SEAL)




Katherine Persson
Secretary, Board of Directors