

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
December 9, 2019

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 December, 2019, at 5:30 p.m., at the East Montgomery County Improvement District Complex, 21575 U.S. Highway 59 North, EMCID Board Room 103, New Caney, Texas, within the boundaries of the District, and the following officers and members of the Board of Directors were present:

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

with all of said persons being present, except Director Tramm, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O'Connell, Ms. Kelley Matlaga, Ms. Sandy Seelye, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley and several others from the community, 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 Carlisle.

As the first order of business, the Board considered the execution of Grant Agreements and the presentation of checks to the Community Development Grant recipients and the District interns.

The Board next deferred receiving questions and 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 meeting held on November 14, 2019. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meeting held on November 14, 2019, as corrected. Director Persson seconded the motion, which unanimously carried.

The Board next deferred the election of officers of the Board of Directors.

## **East Montgomery County Improvement District meeting of December 9, 2019**

The Board next considered the status of the 2019 constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that the number of people arrested to date is down from last year, but noted that many arrested have outstanding warrants for more serious crimes. He stated that the Constable will provide a patrol report to the Board.

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 bids for the leak remediation have been received and that the remediation work will begin in January 2020.

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, the utility usage and expense report 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. 16934 through 17041, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2712 through 2721, 2732, 2734, 2736 through 2740 and 2743, as set forth on the attached reports. Director Rogers 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 the project is complete, with the exception of landscaping and inspection by the Fire Marshall. He then presented pay application no. 10, in the amount of \$11,959.20 and recommended the Board approve the payment of same. After discussion, Director Carlisle moved that the Board approve the payment of pay application no. 10, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next deferred 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.

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 taxes, penalties and interest from the landowners and noted that the plat recordation cannot be completed until all taxes, penalties and interest are paid. Mr. Costanza stated that the Section 4 plat was submitted to Montgomery County for recordation

## **East Montgomery County Improvement District meeting of December 9, 2019**

in July 2019. He reported that the County Attorney's office inadvertently overlooked preparing the plat for recordation and that the 2019 property tax bills have now been sent out and must be paid before the County will record the plat. Mr. Costanza stated that he is working with the landowners to pay the taxes as soon as possible.

The Board next considered the status of receipt of the Special Warranty Deed ("Deed") for the detention pond site and the related easements relative to Kingwood Parc project. Mr. Marks reported that MRPC has received the executed Deed and related easements from A-S 140 Kingwood Parc City Center, LP, and that all documents have been properly recorded.

The Board next considered the status of the contract with Solid Bridge Construction for the construction of a detention pond and storm sewer trunk lines to serve the Kingwood Parc project. Mr. Costanza stated that the contractor has started the clearing and grubbing, excavation of the detention basin and noted that the storm sewer concrete box is on site. He then presented pay application no. 1, in the amount of \$103,927.50 and recommended the Board approve the payment of same. After discussion, Director Carlisle moved that the Board approve the pay application and authorize New Quest to pay said pay application no. 1, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next considered a report on the Economic Development Administration ("EDA") Business Center Building in the Industrial Park. Mr. McCrady stated that the Request for Qualifications for Architectural/Engineering Services are due tomorrow. The Board next deferred the following: a) approval of contract with J.A. Costanza & Associates Engineering, Inc. relative to program management and/or engineering services related to the project; c) authorizing Request for Proposal (RFP) for Architectural/Engineering Services, including negotiations and contract with best qualified candidates from RFQ process; d) authorizing Agreement for Architectural/Engineering Services and preparation of plans, specifications and construction documents; e) approval of plans, specifications and construction documents and authorize Project Bidding Phase; f) review of bids, consider architect's/engineer's recommendations, and consider award of project for construction; g) review pay applications, change orders and construction recommendations and consider approval of same; h) consider final project documents, accept architect's and engineer's certification of completion, and accept project; and i) other items that may arise from time to time.

## **East Montgomery County Improvement District meeting of December 9, 2019**

The Board next considered the following announcements:

- Mr. McCrady distributed and discussed the attached Calendar of Events;
- January 24, 2020 from 10:00 a.m. to 1:00 p.m. Laura Lipsky, an expert on trauma and recovery, will be a Lone Star College-Kingwood.

The Board next recessed to Executive Session at 6:04 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 Code. The Board returned from Executive Session at 7:46 p.m.

The Board next considered the approval of an operating advance funding agreement with East Montgomery County Municipal Utility District No. 3 (“EMC 3”). Mr. McCrady noted that at the last meeting the Board approved the advancement of funds to the EMC 3 Operating Fund to enable EMC 3 to enter into a contract for a Constable patrol program in an amount not to exceed 100% of the total contract price. After discussion, Director Persson moved to approve the Agreement for Funding Operation Expenses with EMC 3 for the Constable patrol program. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of the EDA Business Center Building in the Industrial Park. Mr. Costanza was not present to review the contract provisions. After discussion, Director Carlisle moved that the Board authorize Mr. McCrady to take all actions necessary, other than the selection of an architect, engineer or contractor, relating to the EDA Business Center building. Director Wetz seconded the motion, which unanimously carried.

The Board next deferred the approval of an Incentive Agreement (“IA”) with Lighthouse Industrial Properties, LLC.

The Board next deferred the approval of an IA with MHTB Enterprises LLC dba Smallcakes Kingwood.

The Board next considered the status of an Incentive Agreement with Pit Row Pit Stop or its assignees (“Pit Row”). Mr. McCrady stated that the IA will be executed by Pit Row tomorrow.

The Board next deferred the status of an IA with Weiz LLC.

The Board next deferred the status of an IA with Keysteel Corp.

The Board next deferred the status of an IA with EXP Controls or its assignees (Stanchi).

## **East Montgomery County Improvement District meeting of December 9, 2019**

The Board next deferred the status of an IA with YMER Technology.

The Board next considered a report on the following activities within the Industrial Park:

The Board 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, as the plat has not yet been recorded.

The Board next deferred the approval of a Purchase and Sale Agreement with Sigma Fasteners or its assigns, relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with BSD Transport relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement and Option Agreement with Pearson Construction relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with Performance Drywall LLC relative to the purchase of a site in the Industrial Park.

The Board next deferred the status of the preparation of a Purchase and Sale Agreement with Levitated Metals Real Estate Holdings, LLC relative to the purchase of a site in the Industrial after Mr. McCrady noted that the documents are with the purchaser for execution.

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

The Board next considered the approval of a land exchange with Catalyst Trading Services, Ltd. Mr. McCrady discussed the land exchange with the Board. After discussion, Director Carlisle moved that the land exchange be approved, and that the President and Chair be authorized to take all actions to complete the contract and to close on the land conveyance in connection therewith. Director Wetz seconded the motion, which unanimously carried.

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.

**East Montgomery County Improvement District meeting of December 9, 2019**

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

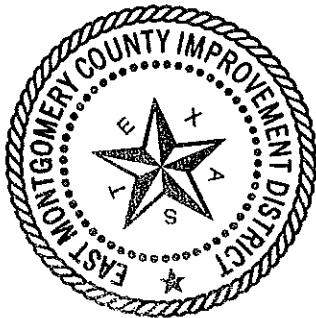
The Board next considered the review and approval of proposals for use of electronic devices for director information for Board of Directors meetings. Mr. McCrady stated that that the District's phone and computer systems are being replaced and once that is complete, he will investigate the various electronic devices.

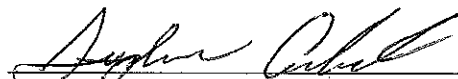
The Board next deferred the appointment of a Director to fill the vacancy created by the passing of Director Martin and requested that the agenda items relating to filling the vacancy, acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for an appointed director and appointment of officers be removed from the agenda since the vacant seat will be up for election in May 2020.

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.

(SEAL)



  
\_\_\_\_\_  
Stephen Carlisle  
Secretary, Board of Directors