

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
December 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 December, 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, Mr. David Marks, Mr. Joe Costanza, Mr. Ron Willingham 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 Rogers 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.

The Board next considered the acceptance of the Oath of Office (“Oath”), Statement of Elected Officer (“Statement”) and Election Not to Disclose Personal Information (“Election”) for Katherine Persson, Brenda Webb, Fred Wetz and Ronald Willingham. Ms. Persson, Ms. Webb, Mr. Wetz and Mr. Willingham took their Oaths and executed their Statements and Elections. After discussion on the matter, it was moved by Director Rogers, seconded by Director Wetz and unanimously carried that the Board accept said Oath, Statement and Election for Directors Persson, Webb, Wetz and Willingham and declare them elected for a term, ending June 30, 2024.

The Board deferred receiving questions and comments from members of the audience after Chair Webb stated that no one had signed up to speak.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on November 12, 2020, and November 16, 2020. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meeting held on November 12, 2020, as amended and the minutes of the meeting held November 16, 2020, as written. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the election of officers of the Board of Directors. After discussion, Director Persson moved that Director Webb serve as Chair, Director Carlisle serve as Vice Chair, Director Persson serve as Secretary, Director Rogers serve as Assistant Secretary, Director Wetz serve as Treasurer/Investment Officer and Director Zepeda serve as Assistant Treasurer. Director Wetz seconded said motion, which unanimously carried.

The Board next considered the status of the 2020 constable patrol security program at shopping centers located within the District during the holiday season. Mr. McCrady stated that he did not have a formal report to present but stated that the program has been very successful thus far.

The Board next considered the review and approval of the Independent Accountant's Report on Applying Agreed-Upon Procedures related to the Montgomery County Emergency Services District No. 7 ("ESD 7") Grant Agreement. Mr. O'Connell presented and reviewed the attached draft report with the Board, as prepared by McCall Gibson Swedlund Barfoot PLLC. He stated that the difference between the ad valorem revenue and the grant amount to be funded by EMCID to ESD 7, as of December 31, 2020, totals \$238,156.68. After discussion, Director Carlisle made a motion to approve the Report and the payment in the amount of \$238,156.68 owed to ESD 7, as presented. Director Zepeda seconded the motion, which unanimously carried.

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 he had nothing new to report.

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 and debits for payroll; on the Plains Kingwood Detention Account; and on the Plains EDA Grant Account, as set forth on the attached reports. Director Zepeda seconded the motion, which unanimously carried.

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The Board next considered the status of planning for the 2020-2021 Holiday to Remember Ice Rink and Winter Festival (“Festival”). Mr. McCrady stated that he invited the directors to tour the Sam’s facility. He stated that everything is going well and that the District has received numerous sponsorships for the Festival.

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 previously stated that the plat for Section 3 was submitted to Montgomery County on August 26, 2020, but that the County did not review the plat until October and found an error in one of the deeds. He stated that the deed is in the process of being re-executed and will be provided to the County with the plat. Mr. Costanza further stated that since the plat was not reviewed until mid-October, the 2020 tax year payments must be made prior to recordation. He noted that the plat will be resubmitted with the 2020 taxes are paid and the certificates are available in January 2021.

The Board next considered the status of the drainage improvements along Gene Campbell Boulevard. Mr. Costanza stated that JAC is waiting for Montgomery County to bid the road project.

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 Joiner Architects is 75% complete with the design plans and reviewed the attached building elevations.

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 deferred actions relating to the EDA Business Center Building.

Director Zepeda exited the meeting at this time.

The Board next considered the following announcements:

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

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The Board next recessed to Executive Session at 6:17 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 8:02 p.m.

Mr. McCrady next reported that the Montgomery County Youth Services is moving out of the EMCID building at the end of January 2021.

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 deferred the status of economic development incentive agreements.

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 the Purchase and Sale Agreement with LAW Investment Holdings, LLP ("LAW"), or its assignee relative to the purchase of a 10.4668-acre tract of land in the Industrial Park. Mr. McCrady stated the Agreement has been prepared and will be forwarded to LAW for review and execution.

The Board next deferred the approval of an Incentive Agreement and a Purchase and Sale Agreement with PolyWeld USA Inc., or its assignee, relative to the purchase of a tract of land in the Industrial Park.

The Board next considered the approval of an amendment to the Lease Agreements between the District and YMER Technology ("YMER") relative to the employee requirements and the 2021 rental rate. After discussion, Director Carlisle made a motion that the District amend the Lease Agreements to reflect a reduction in the monthly rent by 50% for the year 2021, provided YMER maintains at least fifteen (15) employees between the two locations. Director Wetz seconded the motion, which unanimously carried.

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The Board next considered the approval of an Incentive Agreement with New Caney Customs, LLC (“NCC”). Mr. McCrady stated that the company is expanding its current building and recommended offering a \$15,000 grant for the expansion. He stated the company will create 3 full time jobs with the employees being hired from within the boundaries of the District. He also presented the executed Form 1295 from NCC. After discussion, Director Persson moved that the Board approve the Incentive Agreement with NCC, as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of contracts relative to the purchase of land for expansion in the Industrial Park. Mr. McCrady stated that the Cano tract (58.1 acres) closed yesterday, and that the Johnson tract (54.033 acres) is currently at the title company.

The Board next considered the approval of a Resolution of Authority relative to the purchase and financing of tracts of land for expansion of the North Industrial Park. After discussion, Director Carlisle moved to approve the Resolutions of Authority, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next considered the approval of the sale of 127-acre tract of land in the North Industrial Park. After discussion, Director Carlisle moved that Mr. McCrady be authorized to enter into a contract for the sale of the property, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next deferred the approval of an Incentive Agreement and the Purchase and Sale Agreement with JHarp Land Management LLC, or its assignee 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 on the purchase and sale of the land.

The Board next considered the status of a petition to annex 71.788 acres of land owned by the District into the East Montgomery County Municipal Utility District No. 3 (“EMC No. 3”). Mr. Marks stated that EMC No. 3 filed the annexation petition and related documents with the City of Conroe on December 8, 2020, for review and approval.

The Board next deferred the approval of a Utility Development Agreement by and between the District and the EMC MUD No. 3 relative to land owned by the District in the Industrial Park-North.

The Board next considered the approval of the final account of construction costs related to the New Quest/TxDOT detention pond, acceptance of the project as complete, granting of detention easements and entering into a maintenance agreement relative to the detention pond. Mr. Marks provided the Board with a status update on the project.

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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. Mr. McCrady recommended that the item be removed from the agenda. The Board concurred with Mr. McCrady's recommendation.

The Board next considered matters for possible placement on future agendas, including discussion relative to the Kingwood Parc project.

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

(SEAL)



A handwritten signature in blue ink that reads "Katherine Persson".

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Katherine Persson  
Secretary, Board of Directors