

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
January 8, 2015

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 8<sup>th</sup> day of January, 2015, at 6:30 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 roll was called of the duly elected officers and members of the Board of Directors, to-wit:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Leonard Rogers	Director
Isidor Ybarra, Jr.	Director
Martin Zepeda	Director

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

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Ms. Kelley Mattlage, Mr. David Marks, Mr. Joe Costanza, Ms. Cathy Branco, Ms. Virginia Blake and others from the community, as shown on the attached sign in sheet.

Chairperson Webb called the meeting to order and announced that a quorum was present.

Director Hesson led in prayer followed by the pledge of allegiance led by Director Martin.

As the first order of business, the Chairperson executed the Grant Agreement with Friends of RB Tullis Library and distributed the grant check. She then noted that no members of the audience had signed up to speak.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on December 11, 2014. After review and discussion, Director Persson moved that the minutes of the Board of Directors meeting held on December 11, 2014, be approved as written. Director Ybarra seconded said motion, which unanimously carried.

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The Board next considered the appointment of an Assistant Treasurer. After discussion, Director Hesson made a motion that Director Zepeda be appointed to serve as Assistant Treasurer. Director Persson seconded said motion, which unanimously carried.

Director Rogers next thanked Director Carlisle for representing the community at the funeral services for the two slain police officers in New York.

The Board next considered the Community Grant Request received from Heaven's Army of Resources ("Heaven's Army"). Mr. McCrady recommended granting \$53,000 to fund Heaven's Army operating budget for one (1) year. He noted that Heaven's Army still intends to expand its facilities, but will utilize at least \$68,900 of its own funds to pay the costs of the expansion. Director Hesson made a motion to approve the grant request to Heaven's Army, as set out above. Director Zepeda seconded said motion, which unanimously carried.

The Board next considered the Community Grant Request received from Splendora Area Softball Association ("SASA"). Mr. McCrady recommended funding \$55,110 for the construction of five (5) new softball fields. He noted SASA will fund \$36,940 for additional improvements. Director Persson made a motion to approve the grant request to SASA, as set out above. Director Martin seconded said motion, which unanimously carried.

The Board next considered the financial, bookkeeping, cash flow and investment reports, and authorizing the payment of invoices presented or as reflected in said reports. In connection therewith, Ms. Branco presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Carlisle moved that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 11676 through 11742, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Account being check nos. 2402 through 2404, as set forth on the attached reports. Director Zepeda seconded said motion, which unanimously carried.

The Board next considered the status of the constable patrol security program at shopping centers within the District during the holiday season. Mr. McCrady advised he had nothing new to report, but noted that the Constables did a great job over the holidays.

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The Board next considered the adoption of a state schedule relative to open records request charges. Mr. McCrady advised that Ms. Matlage is the public information officer for the District and has assembled the attached information for posting on the District's website relative to open records requests and the charges associated with such requests. He recommended that the Board approve the state schedule relative to open records request charges. Ms. Matlage noted that requests requiring less than 50 pages will be provided at no charge. Director Martin made a motion that the Board adopt the state schedule relative to open records request charges. Director Persson seconded said motion, which unanimously carried.

The Board next considered the following announcements:

Director Zepeda discussed problems associated with the closure of the frontage road.

Director Carlisle reported that the Open Meeting Act/Open Records Act class will be held at Roman Forest on January 17<sup>th</sup> from 9:00 a.m. to 1:00 and that admission is free.

Director Webb reported that new restaurant signs showing funding made possible by EMCID are now up at the restaurant construction sites.

The Board next recessed to Executive Session at 7:18 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, and Economic Development negotiations pursuant to §551.087, Texas Government Code. The Board returned from Executive Session at 8:55 p.m.

The Board next considered the status of development of the District's 12.85 acre site, including the construction of improvements, the leasing of space in the District's office building and the status of the possible condemnation of District property by TxDOT for the Grand Parkway development. In that regard, Mr. McCrady reported that TxDOT will be saw cutting and installing utilities across the District's parking lot. He stated that there have been many problems associated with the closure of the frontage road access, but that Director Zepeda is working on getting signage installed to help minimize the danger.

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The Board next considered the status of the drainage study relating to Industrial Park Sections 3 & 4. Mr. Costanza reported that the drainage study is complete and has been submitted to Montgomery County for approval.

The Board next considered a report on activities within the Industrial Park, including the status of sale of dirt out of future detention pond and the status of the contract with TDG for excavation and delivery of said dirt. In connection therewith, Mr. McCrady reported that there are no buyers for the dirt at this time.

The Board next considered the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 3. Mr. Costanza stated that JAC will advertise the project in The Houston Chronicle, The Observer and the Conroe Courier. After discussion, Director Ybarra made a motion to approve the plans and specifications and to authorize the engineer to advertise the project for bids, as set out above. Director Persson seconded said motion, which unanimously carried.

The Board next deferred the approval of plans and specifications and authorization to advertise for bids for the construction of roads to serve Section 4, after Mr. Costanza stated that JAC will submit the plans to Montgomery County for approval in mid July 2015.

The Board next considered the status of a plat of Section 3 and 4. Mr. Costanza reported that JAC will re-submit the plat to Montgomery County for final review and approval in the next couple of weeks.

The Board next considered the approval of plans and authorization of advertisement for bids for construction of the wastewater treatment plant lift station. Mr. Costanza stated that JAC will advertise the project in The Houston Chronicle, The Observer and the Conroe Courier. After discussion, Director Ybarra made a motion to approve the plans and specifications and to authorize the engineer to advertise the project for bids, as set out above. Director Persson seconded said motion, which unanimously carried.

The Board next considered the approval of plans and authorization of advertisement for bids for construction of Industrial Park, Section 3 water distribution and wastewater collection facilities. Mr. Costanza stated that JAC will advertise the project in The Houston Chronicle, The Observer and the Conroe Courier. After discussion, Director Ybarra made a motion to approve the plans and specifications and to authorize the engineer to advertise the project for bids, as set out above.

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Director Persson seconded said motion, which unanimously carried.

The Board next reaffirmed its direction to the engineer that all EMCID project bids will be advertised in The Observer and in the Conroe Courier, and in The Houston Chronicle if deemed necessary for a particular project.

The Board next deferred the status of a Purchase and Sale Agreement relative to the sale of a 5 acre tract to Jenista Holdings, LLC (Polar Rig Specialists, Inc.) after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the purchase of a 20 acre site by Command Energy after Mr. McCrady stated he had nothing new to report.

The Board next considered the status of the District's exercise of option to purchase a 6 acre tract by Keysteel. Mr. McCrady noted that the purchase and sale documents are at the title company.

The Board next deferred the status of an Incentive Agreement and a Purchase and Sale Agreement relative to the Keysteel expansion project.

The Board next considered the approval of an Incentive Agreement relative to the construction of Taco Cabana within the District. Mr. McCrady reviewed said Agreement with the Board. After discussion, Director Carlisle made a motion to approve an Incentive Agreement relative to the construction of Taco Cabana. Director Persson seconded said motion, which unanimously carried.

The Board next considered the approval of an Incentive Agreement relative to the construction of Pollo Tropicale within the District. Mr. McCrady reviewed said Agreement with the Board. After discussion, Director Carlisle made a motion to approve an Incentive Agreement relative to the construction of Pollo Tropicale. Director Ybarra seconded said motion, which unanimously carried.

The Board next deferred the approval of a development agreement with Jefco Development Corp. and a sponsor agreement with TxDOT regarding construction of drainage and detention facilities for the retail center and expansion of Loop 494, after Mr. McCrady stated he had nothing new to report.

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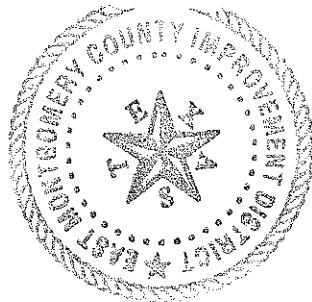
The Board next considered correspondence received from Joyce, McFarland & McFarland LLP requesting the District's acknowledgment of the formation of McFarland PLLC and the District's desire to transfer its case to McFarland PLLC. After discussion, the Board unanimously concurred to transfer its case to McFarland PLLC.

The Board next considered the following matters for possible placement on future agendas, including:

- Resolution in support of proposed merger of Montgomery County Emergency Services District No. 7 and Montgomery County Emergency Services District No. 11;
- review of procedure relative to advertising construction contracts for bids; and
- review of procedure for hiring and reviewing professional consultants.

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