

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
January 12, 2017

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 12<sup>th</sup> day of January, 2017, 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 following officers and members of the Board of Directors were present:

Brenda Webb	Chairperson
Dale Martin	Vice Chair
Scott Hesson	Treasurer
Stephen Carlisle	Secretary
Katherine Persson	Asst. Secretary
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Fred Wetz	Director

with all of said persons being present, except Directors Webb and Hesson, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Kelley Matlidge, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley and others from the community, as shown on the attached sign in sheet.

In absence of Chair Webb, Vice Chair Martin called the meeting to order and announced that a quorum was present.

Director Wetz led in prayer followed by the pledge of allegiance led by Director Persson.

As the first order of business, the Board considered comments from members of the audience. Vice Chair Martin presented grant checks to Color Me Beautiful and to Montgomery County Emergency Services District No. 7 ("ESD 7"). Chief Rinewalt with ESD 7 addressed the Board and discussed the status of the Morgan Cemetery Road station opening. Mr. Butzelar next addressed the Board and stated that he is ready to proceed with construction of the new building for NC Customs, LLC.

## **Minutes of East Montgomery County Improvement District for January 12, 2017**

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on December 8, 2016. After review and discussion, Director Wetz moved to approve the minutes of the Board of Directors meeting held on December 8, 2016, as corrected. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered a request from New Caney New Horizons for a \$30,000 community grant to help fund the organization's operations. Mr. McCrady reviewed the request with the Board. After discussion, Director Carlisle made a motion to approve a \$30,000 community grant to New Caney New Horizons. Director Rogers seconded the motion, which unanimously carried.

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, and discussed the invoices presented for payment. Following review, Director Rogers made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 13661, 13738 and 13782 through 13871, inclusive, with check nos. 13661 and 13738 previously issued being voided, five (5) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2511 through 2515, as set forth on the attached reports. Director Wetz seconded the motion, which unanimously carried.

Mr. Marks next advised the Board that requirements in the Public Funds Investment Act require the Board of Directors of the District to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. He reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, and a list of financial institutions, brokers and dealers attached thereto as Exhibit "A". Mr. Marks recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Persson made a motion to approve the attached Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. Director Carlisle seconded the motion, which unanimously carried.

## **Minutes of East Montgomery County Improvement District for January 12, 2017**

The Board next considered the status of the constable patrol security program at shopping centers within the District during the holiday season. Mr. McCrady reported on the status of the security program.

The Board next considered the following announcements:

- Infinity College Program groundbreaking today at Kingwood College
- Speedsportz Racing Track has opened.

The Board next recessed to Executive Session at 6:51 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 9:02 p.m.

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 he had nothing new to report.

The Board next deferred the approval of an Agreement between the District and Turner Duran Architects ("Turner Duran") for design of the new District building.

The Board next deferred the status of design and the preparation of plans and specifications for the new district building after Mr. McCrady stated he had nothing new to report.

The Board next considered a report on activities within the Industrial Park, including the status of the sale of dirt excavated from the future detention pond site and the status of the contract with TDG for excavation and delivery of said dirt. Mr. Costanza stated that he had nothing new to report. He then requested authorization to design and bid the second phase of the regional detention basin. After discussion, Director Persson moved that JAC be authorized to prepare the plans for the second phase of the regional detention basin. Director Wetz seconded the motion, which unanimously carried.

The Board next considered the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3. Mr. Costanza stated that the roadbeds are complete and that Quadvest has requested that the notice to proceed begin on January 23<sup>rd</sup> due to the prediction of heavy rains in the area.

## **Minutes of East Montgomery County Improvement District for January 12, 2017**

The Board next considered the status of the contract with Clearwater Utilities, Inc. ("Clearwater") for the construction of water and sanitary sewer facilities to serve Industrial Park, Section 4. Mr. Costanza stated that Clearwater is ready to begin once the Section 4 roadbeds are complete and that he anticipates the construction will begin in the next two weeks.

The Board next considered the status of the contract with Angel Brothers ("Angel") for the construction of roads to serve Industrial Park, Section 4. Mr. Costanza stated that the construction contracts have been executed and that Angel will begin once the Clearwater contract is far enough along not to create any conflicts.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that the plat will be submitted to the title company on January 16, 2017.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the interior has been re-coated, but that he has not reviewed any test results from the re-coat. He then presented change order no. 3 for moving and re-wiring the power supply by Entergy, in the amount of \$9,145.21, the executed Form 1295, and recommended that the Board approve the change order. After discussion, Director Persson moved to approve change order no. 3, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of the contract with Quadvest for construction of the sanitary sewer and water facilities to serve Industrial Park, Section 3. Mr. Costanza stated that the only items remaining are the vacuum testing of the manholes, pulling a mandrel through the sanitary sewer and adjusting the manholes and the fire hydrants.

The Board next considered the status of contract with E&S Construction ("E&S") for construction of the General Ballistics building project. Mr. Costanza stated that the work is proceeding and presented pay estimate no. 2 in the amount of \$17,122.05, and recommended that the Board approve the payment of the pay estimate. After discussion, Director Carlisle moved to approve the payment of pay estimate no. 2 to E&S, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the status of preparation of plans, review of bids and award of contract for construction of range for use by police within the District. Mr. Costanza reported that the project will be incorporated with the construction of the regional detention project and noted that this item can be removed from the agenda.

## **Minutes of East Montgomery County Improvement District for January 12, 2017**

The Board next deferred the approval of an incentive agreement with Dunn Welding or assignees and authorization of preparation of a Purchase and Sale Agreement relative to the purchase of a site in the Industrial Park.

The Board next considered the status of Purchase and Sale Agreement with Woodland Fluid Power Inc. relative to the purchase of a site in the Industrial Park. After discussion, Director Persson moved to amend the previously approved incentives. Director Rogers seconded the motion, which unanimously carried.

The Board next deferred the status of Purchase and Sale Agreement with Metal Specialties or assignees relative to the purchase of a site in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of Purchase and Sale Agreement with Fire Ant Rescue Inc. d/b/a Bug Police relative to the purchase of a site in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next deferred the status of Purchase and Sale Agreement with Remington Valve, LLC & Multiplex Machinery, Inc. relative to the purchase of a site in the Industrial Park after Mr. McCrady stated he had nothing new to report.

The Board next considered the status of the sale of property in the Industrial Park to NC Customs LLC. Mr. McCrady reported that the transaction closed in December.

The Board next considered the status of incentive agreement with Haley Overstreet d/b/a Color Me Beautiful II Hair Salon. Mr. McCrady reported that the loan from the Economic Development Corporation has closed and that the incentive agreement has been executed.

The Board next considered the status of the incentive agreement with Plaza Plastics Corp. He stated that he is still in negotiations with the company.

The Board next considered the status of the incentive agreement with Veer Hanuman Hospitality, Inc. ("Veer"). Mr. McCrady stated that the agreement is pending review and approval by Veer.

The Board next considered the status of construction of the splash pad in the City of Splendora. Mr. Costanza presented change order no. 1 for the addition of an enclosure for the mechanical items, in the amount of \$2,425.00, the executed Form 1295, and recommended that the Board approve the change order. After discussion, Director Persson moved to approve change order no. 1, as set out above. Director Carlisle seconded the motion, which unanimously carried.

**Minutes of East Montgomery County Improvement District for January 12, 2017**

The Board next considered the status of construction of the splash pad site in the City of Roman Forest. Mr. Costanza reported that a pre-construction conference was held on December 20, 2016. He then presented change order no. 1 for the addition of an enclosure for the mechanical items, in the amount of \$2,425.00, the executed Form 1295, and recommended that the Board approve the change order. After discussion, Director Wetz moved to approve change order no. 1, as set out above. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered a request for funding from the Greater East Montgomery County Chamber of Commerce ("Chamber"). Mr. Hatcher reviewed the attached letter and stated that the Chamber is requesting \$100,000 per year for the next three (3) years. He noted that \$80,000 would be used to support the growing programs for the Chamber and that \$20,000 would be used specifically on enhancing the Texas Sawmill Festival. After discussion, Director Persson made a motion to approve the funding request, as set out above. Director Wetz seconded the motion, which unanimously carried.

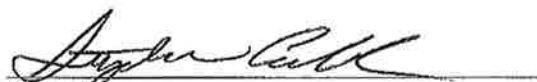
The Board next considered a request for funding from Speedsportz Racing Park ("Speedsportz"). Mr. McCrady recommended that the District offer Speedsportz a \$30,000 grant for infrastructure improvements. He stated that Speedsportz must have the restrooms open within 45 days. After discussion, Director Wetz made a motion to approve the funding request, as set out above. Director Zepeda seconded the motion, which unanimously carried.

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