

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
May 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 May, 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
Dale Martin	Vice Chair
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, thus constituting a quorum.

Also present were Mr. Frank McCrady, Mr. Joe O'Connell, Ms. Kelley Mattlage, 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 and announced that a quorum was present.

Chair Webb 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 April 11, 2019 (12:00 p.m.) and April 11, 2019 (5:30 p.m.). After review and discussion, Director Rogers moved to approve the minutes of the Board of Directors meetings held on April 11, 2019 (12:00 p.m. and 5:30 p.m.), as written. Director Zepeda seconded the motion, which unanimously carried.

The Board next considered the review of Community Development Grant Funding Requests. Mr. McCrady presented and reviewed the attached grant scoring, overall ranking and backup scores given by the Directors and grant applicants.

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The Board next considered the request of the Northeast Hospital Foundation relative to funding \$5,000.00 to provide free mammograms to approximately 33 women who would otherwise not be able to afford the services.

The Board next considered the request of the Roman Forest Policy Department (“RFPD”) relative to funding \$24,336.00 of a total project cost of \$48,672.00 to purchase six (6) AXON Fleet 2 patrol unit cameras to update radio systems to be compliant with State regulations. The Board questioned the state requirement. Director Stephens advised that patrol car cameras are not a requirement and noted that most agencies do not have cameras in patrol cars. He noted that the existing camera equipment works, but the computer storage is not sufficient. Director Zepeda discussed the early departure of Capt. Dimitri Jasonis during the grant presentations. Director Carlisle stated that the officer did not know it was a requirement to stay during the grant presentations. Ms. Matlage noted that the grant instructions require an applicant to attend the workshop (although it does not state that the applicant must be present for everyone’s presentations).

The Board next considered the request of the East Montgomery County Fair BBQ Pit Building Scholarship relative to funding \$5,000.00 to provide AG Mechanics classes with materials to build BBQ pits. Director Martin questioned whether a community development grant is the appropriate place for funding.

The Board next considered the request of the American Legion Holbrook Post 615 (“American Legion”) relative to funding \$5,000.00 to fund the registration fee, travel expense and spending money for 15 boys (5 from each High School in the District) to attend the Texas Boys State 2019 Program.

The Board next considered the request of the Splendora Area Softball Association (“SASA”) relative to funding \$30,000.00 of a total project cost of \$47,622.49 to make drainage improvements to the softball field. Mr. Jamieson advised that he discussed the drainage issues with the Baseball Association, but has not been able to make any progress. The Board discussed the District paying JAC to investigate the drainage issues and provide recommendations for permanently solving the drainage problems at a future grant hearing.

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The Board next considered the request of Friends of Splendora Ag relative to funding \$5,000.00 to help absorb costs of first annual Steak Night to purchase steaks, potatoes, salad and drinks for 200 guests. Mr. McCrady recommended not funding the request through a community grant but rather suggested that the Board consider funding out of the District's event sponsorship account.

The Board next considered the request of the Humble Area Assistance Ministries ("HAAM") relative to funding \$26,733.00 of a total project cost of \$39,900.00 to assist thirty-six (36) low income East Montgomery County Residents.

The Board next considered the request of Society of St. Stephen ("SOSS") relative to funding \$10,000.00 of a total project cost of \$100,00.00 to purchase school supplies, backpacks and give \$20 shoe vouchers for 1,000 children of SOSS clients, an additional \$20 shoe voucher for 1,500 students, and eight (8) \$2,000 scholarships to needy high school seniors.

The Board next considered the request of Knights of Columbus Council #13166 relative to funding \$5,000.00 for food pantry refrigeration/freezer repairs, delivery truck maintenance, external security camera repairs and Sanctuary PA sound system repairs. Director Martin recommended funding the food pantry items, and not to fund the church facility improvements such as the PA sound system and security camera repairs.

The Board next considered the request of the Splendora FFA Alumni Association ("Splendora FFA") relative to funding \$5,000.00 to pay for add-on awards for Piney Woods Classic Livestock Show. Mr. McCrady responded to questions that the District currently funds for all kids in the District, while this program is more limited. The Board questioned whether this project is better funded as a special event rather than a community development grant.

The Board next considered the request of the Splendora Athletic Booster Club ("SABC") relative to funding \$5,000.00 to purchase drink coolers for the concession stand. Chair Webb noted that the Board, with one exception, has not funded Booster Club requests in the past.

The Board next considered the request of The Woodlands Dog Park Club (DBA Lone Star Animal Welfare League) ("WDPC") relative to funding \$5,000.00 to provide approximately seventy-five (75) vouchers for spay/neuter services and vaccines for dogs in East Montgomery County at an event to be held on April 28, 2019, or a later date to be announced, at Bull Sallas Park. Director Carlisle noted that the District has a bad stray animal problem.

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The Board next considered the request of Mia's Hope Pregnancy Center ("Mia's Hope") relative to funding \$5,000.00 to purchase materials needed to teach parenting, childbirth, ESL and Overcomers Classes, baby items and general expenses.

The Board next considered the request of the City of Splendora relative to funding \$21,712.00 to purchase and install Security Camera System at Heritage Park. Mr. McCrady noted that a representative was not present to review the grant request and therefore the entity is not eligible to receive the grant.

The Board next considered the request of Heaven's Army of Resources ("Heaven's Army") relative to funding \$5,000.00 to purchase tables and chairs for banquet room at Home of Amazing Grace. Mr. McCrady noted that a representative was not present to review the grant request and therefore the entity is not eligible to receive the grant.

After discussion of the grant requests, Director Martin moved to approve the grant funding as requested for the following entities: Northeast Hospital Foundation (\$5,000), Roman Forest Police Department(\$24,336.00), East Montgomery County Fair BBQ Pit Building (\$5,000), American Legion (\$5,000), HAAM (\$26,733.00), SOSS (\$10,000), WDPC (\$5,000) and SABC (\$5,000). Director Persson seconded the motion, which unanimously carried.

Director Tramm then moved to deny the grant funding requests of Splendora FFA and Friends of Splendora Ag and directed the entities to apply for a special events sponsorship. Director Martin seconded the motion, which unanimously carried.

Director Martin then moved to deny the grant funding requests of Mia's Hope, City of Splendora and Heaven's Army. Director Wetz seconded the motion, which unanimously carried.

Director Persson then moved to approve a revised grant for Knights of Columbus in the amount of \$3,000 for its food pantry delivery truck maintenance and repairs and its food pantry refrigerator/freezer repairs. Director Martin seconded the motion. Director Carlisle then moved to amend the motion to add \$1,000 to the grant for the external security camera repairs, for a total grant of \$4,000. Director Zepeda seconded the motion to amend, which carried with 5 directors voting in favor. A vote was then taken on the motion as amended, which passed unanimously.

The Board next deferred 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 after Mr. McCrady stated he had nothing new to report.

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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 Martin made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 16403 through 16462, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2666, 2668 and 2670, as set forth on the attached reports. Director Zepeda 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 Drymalla has completed the dirt work and plumbing under the slab and noted that all pilasters with the exception of some exterior pilasters have been completed. He then presented pay application no. 3, in the amount of \$142,338.60 and recommended the Board approve the payment of same. Mr. Costanza stated that the disputed change order no. 2 remains on hold by the contractor. He also presented change order no. 3 an increase to the contract in the amount of \$15,777.00 due to building pad conditions and the executed Form 1295 from Drymalla. Mr. Costanza further stated that Drymalla has also requested the addition of five (5) days to the contract due to the wet weather. After discussion, Director Persson moved that the Board approve the payment of pay application no. 3, approve Change Order No. 3, based on a finding by the board that said change order was necessary and beneficial to the district, and approve the five (5) additional weather related days, as set out above. Director Tramm 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 has one taxpayer that has not paid its 2018 taxes and noted that the Section 4 plat lacks one signature.

The Board next considered the following announcements. Mr. McCrady presented and reviewed the attached Calendar of Events and a letter from The Heartworm Foundation.

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The Board next recessed to Executive Session at 7:02 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 8:11 p.m.

The Board next discussed the status of the proposed lease of office space to the Montgomery County Constable Pct. 4. Mr. McCrady stated that he will revise the proposal to add a provision stating that a District employee must be on site for after hours use.

The Board next considered the approval of an Agreement with New Quest & TxDOT relative to construction of a detention pond in connection with the development of Kingwood Park and the widening of Loop 494. Mr. McCrady stated that the Agreement has been revised several times. Mr. Alvis and Mr. Oliver answered numerous questions from the Board. After discussion, Director Persson moved to approve the Agreement with New Quest and TxDOT generally as described by Mr. McCrady with such revisions as may be approved by Mr. McCrady. Director Tramm seconded the motion, which carried, with Director Martin being opposed. Mr. Alvis noted that the widening of Loop 494 is expected to be complete in mid-2021, so the timing of the Kingwood Parc development will match the road construction project.

The Board next considered the approval of an Incentive Agreement with MTP Enterprises LLC (“MTP”) dba Buster’s Brew. Mr. McCrady recommended offering a \$20,000 grant to hire two (2) full time employees and purchase a new espresso machine. He then presented the executed Form 1295 from MTP. After discussion, Director Wetz moved that the Board approve the Incentive Agreement with MTP, as set out above. Director Persson seconded the motion, which unanimously carried.

The Board next deferred the approval of an Incentive Agreement with Lighthouse Industrial Properties, LLC.

The Board next deferred the approval of an Incentive Agreement with Woodmark, LP.

The Board next deferred the approval of an Incentive Agreement with Keysteel Corp.

The Board next deferred the approval of an Incentive Agreement with Italianos Restaurant, or its assignees.

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The Board next considered the approval of an amendment to the Incentive Agreement (“Amendment”) with VR Porter Healthcare (“VR”). Mr. McCrady stated the Amendment will grant VR an extension of its deadline to open the facility and provide the District with a Certificate of Occupancy. He then presented the executed Form 1295 from VR. After discussion, Director Persson moved to approve the Amendment. Director Martin seconded the motion, which unanimously carried.

The Board next considered the status of the Incentive Agreement with La Huerta Bar and Grill, LLC (“La Huerta”). Mr. McCrady stated that the restaurant is currently under construction.

The Board next deferred the status of the Incentive Agreement with Speedsportz Racing Park at Grand Texas, LLC.

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

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 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 considered the status of the Purchase and Sale Agreement with Gamma Holdings, LLC relative to the purchase of a site in the Industrial Park. Mr. McCrady stated that the documents are with the title company and noted that the sale transaction is scheduled to close on May 13, 2019.

The Board next deferred the approval of an Incentive Letter, authorizing preparation of a Purchase and Sale Agreement with Performance Drywall relative to the purchase of a site in the Industrial Park, and authorizing the President and Chair to take all actions and execute all required documents in connection with the sale of the property.

The Board next deferred the approval of an Incentive Letter, authorizing preparation of a Purchase and Sale Agreement with Pearson Construction relative to the purchase of a site in the Industrial Park, and authorizing the President and Chair to take all actions and execute all required documents in connection with the sale of the property.

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The Board next deferred the review and approval of proposals for use of electronic device for director information for Board of Directors meetings.

The Board next considered matters for possible placement on future agendas. Mr. McCrady noted that the EMC Economic Development Corporation, the EMC Scholarship Foundation and the EMCID Board of Directors meetings will all be held on June 20, 2019.

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