

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
July 9, 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 9<sup>th</sup> day of July, 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
Martin Zepeda	Asst. Treasurer
Leonard Rogers	Director
Isidor Ybarra, Jr.	Director

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

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Ms. Kelly Matlage, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza and Ms. Kaye Townley.

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

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

As the first order of business, the Board deferred comments from members of the audience after Chairperson Webb stated no one had signed up to address the Board.

Chairperson Webb next executed the Grant Agreement with Mission Northeast and distributed the grant check.

The Board next considered the review and approval of the minutes of the Board of Directors meeting held on June 24, 2015. After review and discussion, Director Ybarra made a motion that the minutes of the Board of Directors meeting held on June 24, 2015, be approved as written. Director Rogers seconded said motion, which carried, with Director Persson abstaining.

## **Minutes of East Montgomery County Improvement District for July 9, 2015**

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. Townley presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Martin made a motion that said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 12099 and 12143 through 12187, inclusive, with check no. 12099 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2416 and 2417, as set forth on the attached reports. Director Persson seconded said motion, which unanimously carried.

The Board next considered the adoption of an operating budget for the fiscal year 2015-2016. Mr. McCrady reviewed highlights of the attached draft budget with the Board. After discussion on the matter, Director Hesson made a motion to approve the operating budget as presented. Director Persson seconded said motion, which unanimously carried.

The Board next considered the review and approval of a Policies and Procedures for issuing community service awards. Mr. McCrady presented and reviewed the attached Outstanding Citizen Award Nomination Form (the "Form") with the Board. Director Hesson discussed the nomination process with the Board. After discussion, Director Hesson made a motion to approve the Form. Director Carlisle seconded said motion, which carried, with Director Ybarra being opposed.

The Board next considered the following announcements:

- None

The Board next recessed to Executive Session at 6:52 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 7:53 p.m.

## **Minutes of East Montgomery County Improvement District for July 9, 2015**

The Board next deferred the status of modifications to the Development Agreement and the status of preparation of a Second Amended and Restated Economic Development Agreement ("Second Agreement") by and among Sig-Valley Ranch, Ltd., Valley Ranch Town Center, Ltd., East Montgomery County Improvement District Economic Development Zone No. 1 and the District.

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 stated that he had nothing new to report relative to the condemnation. He stated that TxDOT is still in the process of removing the building parking lot. Mr. McCrady noted that the District is drilling a new well and is replacing the storage building.

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 stated that Catalyst Co. will be buying land as soon as it dries out and the road construction begins.

The Board next considered the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3. Mr. Costanza reported that he contractor has not yet started.

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.

The Board next deferred the status of a plat of Section 3 and 4.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the contractor has not yet started.

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 reported that the contractor is ready to start, but that the project is on hold pending completion of the drainage and detention pond work being performed by No. 3.

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.

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

## **Minutes of East Montgomery County Improvement District for July 9, 2015**

The Board next deferred the status of an Incentive Agreement and Purchase and Sale Agreement relative to the sale of a 3 acre site to a nutraceutical company.

The Board next considered the status of a Purchase and Sale Agreement for the purchase of a 0.828 acre site in the Industrial Park. Mr. McCrady stated the Ms. McLerran (Quinn) has agreed to the terms relative to the District acquiring the 0.828 acre site to allow for the drainage and road without the need for a corner cut. He noted that the documents are with the title company and that the purchase is scheduled to close on July 15, 2015. Mr. Costanza noted that the construction will begin approximately 30 days after the close on the land.

The Board next deferred the status of preparation of a demographic study by Leisure Development Partners.

The Board next considered the approval of an Incentive Agreement with Royal Purple. After discussion on the matter, Director Carlisle made a motion to approve an Incentive Agreement consisting of a \$70,000 grant for expansion of its current facility including construction of a 100,000 square foot building, the creation of 20 additional jobs with 10 employees being hired from within East Montgomery County, and a \$5,000 contribution to the Scholarship Fund for four (4) years. Director Martin seconded said motion, which unanimously carried.

The Board next deferred the status of an Incentive Agreement with Saints and Sinners Brewing Company after Mr. McCrady reported that same is pending.

The Board next deferred the status of an Incentive Agreement with Splendora 2090 Property, LLC, or its assignees after Mr. McCrady reported that same is pending.

The Board next deferred the status of an Incentive Agreement with Porter Kwik Kar Car Wash LLC or Porter Kwik Kar LLC, or its assignees after Mr. McCrady reported that same is pending.

The Board next deferred the request from the Records Management Officer to destroy the notes of Board of Directors meetings from January 9, 2014, to January 8, 2015, in accordance with the Records Retention Schedule for General Records.

**Minutes of East Montgomery County Improvement District for July 9, 2015**

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

- discussion relative to signs
- amendment to grant procedures
- insurance for cyber theft

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