

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
October 10, 2016

THE STATE OF TEXAS §
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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 10th day of October, 2016, 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, 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, Mr. Greg Turner 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 Rogers led in prayer followed by the pledge of allegiance led by Director Wetz.

As the first order of business, Chairperson Webb presented a check to the new McDonald's for meeting and exceeding its hiring obligations in accordance with its Incentive Agreement with the District. Ms. Laura Jo Casey accepted the check on behalf of McDonald's. Chairperson Webb then presented a check in the amount of \$15,000 to Back Pew Brewery in accordance with its Incentive Agreement with the District. Mr. Bobby Hard accepted the check on behalf of Back Pew Brewery. Chairperson Webb next presented a check in the amount of \$12,000 to La Casita Mexican Restaurant in accordance with its Incentive Agreement with the District. The Board deferred comments from members of the audience after Chairperson Webb reported that no one had signed up to address the Board.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on September 8, 2016 (4:30 p.m.), September 8, 2016 (6:30 p.m.) and September 26, 2016. After review and discussion, Director Persson made a motion to approve the minutes of the Board of Directors meetings held on September 8, 2016 (4:30 p.m.) and September 26, 2016, as written, and the minutes of the meeting held on September 8, 2016 (6:30 p.m.) as revised on the attached draft minutes. Director Hesson 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. 13466 through 13541, inclusive, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2495 and 2496, as set forth on the attached reports. Director Wetz seconded the motion, which unanimously carried.

The Board next considered a presentation from TurnerDuran Architects regarding the proposed building design. Mr. Turner addressed the Board and reviewed the attached draft report on power point.

The Board next considered a report for the implementation of contracting with off duty constable officers at shopping centers within the District during the holiday season. Mr. McCrady discussed the program and stated that is scheduled to begin on October 15th and continue through the end of January 2017, thereby covering all of the holidays falling during such period. He noted that the security program includes the four (4) main retail areas located within the District, which are the areas of greatest concern. Mr. McCrady then reviewed the budget allocation and noted that the total cost of the security program is \$50,000.

The Board next considered the approval of the attached proposal from Population and Survey Analysts relative to the preparation of a demographic update for Splendora ISD. Mr. McCrady reviewed the proposal and stated that the total proposal is in the amount of \$49,880 and that the District's 50% share is \$24,940. He further noted and that the District will receive a copy of the final report for its use.

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The Board next considered the following announcements:

- Director Zepeda stated he attended the Splendora High School football game and noted that the new stadium sign is nice, but noted that the EMCID sign was hard to read and that there was no scrolling sign. Mr. McCrady advised that he will provide content for the scrolling sign for the next game.
- November 1st at 6:00 p.m. EMCID Scholarship Fund Gala.
- Director Zepeda stated that he received a clean bill of health and that his cancer is gone.

The Board next recessed to Executive Session at 7:14 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 8:25 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 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.

The Board next deferred the status of the contract with Quadvest Construction, LP ("Quadvest") for construction of roads to serve Section 3 after Mr. Costanza noted that the contractor is waiting on the drainage project to be completed and anticipates a start in mid-October.

The Board next considered the approval of plans and specifications, review of bids and award of contract for the construction of water and sanitary sewer facilities to serve Industrial Park, Section 4. Mr. Costanza stated that JAC received bids and that the low bid was submitted by Clearwater Utilities, Inc. ("Clearwater"), in the amount of \$721,322.65. He presented the executed Form 1295 from Clearwater and recommended that the Board award the project to Clearwater. After discussion, Director Wetz moved to approve the award of the contract to the low bidder, Clearwater, as set out above. Director Martin seconded the motion, which

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unanimously carried.

The Board next deferred approval of plans and specifications, review of bids and award of contract for the construction of roads to serve Industrial Park, Section 4 after Mr. Costanza stated that JAC received bids last month and that the low bid was submitted by Angel Brothers ("Angel"), in the amount of \$792,909.00, and recommended that the Board defer award of the project to allow time to work out a joint construction agreement with Montgomery County to build the roads.

The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that the Section 3 preliminary plat is complete and that JAC is working on Section 4.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the project is approximately 75% complete and presented pay estimate no. 3 in the amount of \$36,776.25, and recommended that the Board approve the payment of same. After discussion, Director Zepeda moved to approve the payment of pay estimate no. 3 to Quadvest, as set out above. Director Martin seconded said 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 reported that the project is approximately 99% complete.

The Board next considered the status of contract with National Sign Co. for installation of Industrial Park signage on FM 1485. Mr. Costanza reported that the installation is complete.

The Board next considered the status of an Incentive Agreement with La Casita Mexican Restaurant SA. McCrady reported that he has received the executed Incentive Agreement and that the grant check was presented at the beginning of the meeting.

The Board next considered the status of a revised Incentive Agreement with Back Pew Brewing ("Back Pew"), formerly Saints and Sinners Brewing Company, LLC. Mr. McCrady reported that he has received the executed Incentive Agreement and that the grant check was presented to Back Pew at the beginning of the meeting.

The Board next considered the status of building design, review of bids and award of a contract for construction of same relative to General Ballistics project. Mr. Costanza reported that building design is complete, and that the construction bids are scheduled to be opened on October 13th.

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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 plans are almost complete and that the project will advertise after the building construction begins.

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, and to authorize the President and Chair to take all actions and execute all required documents in connection with the purchase and sale of the property.

The Board next considered the status of the Purchase and Sale Agreement with NC Customs LLC ("NC") relative to the purchase of a site in the Industrial Park. Mr. McCrady reported that the Agreement is in the process of being executed by NC.

The Board next considered the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction and Building Projects and authorizing a survey of wages relative thereto. Mr. Marks presented a spreadsheet reflecting Prevailing Wage Rates for Construction Projects and Building Projects for the US Department of Labor and reviewed the attached Resolution with the Board. After discussion, Director Persson moved that the Board adopt the attached Resolution Adopting Prevailing Wage Rate Scale For Construction and Building Projects based on the US Department of Labor rates. Director Hesson seconded the motion, which unanimously carried.

The Board next considered the status of construction of the splash pad in the City of Splendora. Mr. Costanza reported that the splash pad construction is nearing completion.

The Board next considered the status of construction of the splash pad site in the City of Roman Forest. Mr. Costanza reported that the contractor, Kraftsman, needs a larger access easement. He noted that he is waiting on confirmation that the new access easement is adequate and will prepare the easement once he has received confirmation.

The Board next considered the status of the application relative to the grant request with the Governor's office. Mr. McCrady reported that he has conducted the first session informing local business owners on the programs available to expand business.

The Board next deferred presentations by the Northpark Mobility Steering Committee, TIRZ 10 and the City of Houston regarding the proposed traffic improvements on Northpark Drive.

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The Board next considered matters for possible placement on future agendas, including conducting a grant workshop on November 2, 2016 at 12:00 noon.

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

(SEAL)



A handwritten signature in cursive script, appearing to read "Stephen Carlisle".

Stephen Carlisle
Secretary, Board of Directors