

MINUTES OF REGULAR MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
November 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 November, 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 Matlaga, Ms. Tara Martin, Mr. David Marks, Mr. Joe Costanza, Ms. Kaye Townley, Mr. Eric Gonzales 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 Rogers.

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

The Board next considered the review and approval of the minutes of the Board of Directors meetings held on October 10, 2016 and October 24, 2016. After review and discussion, Director Persson moved to approve the minutes of the Board of Directors meetings held on October 10, 2016 and October 24, 2016, as written. Director Martin seconded the motion, which unanimously carried.

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The Board next considered the review and approval of Community Development Grant Funding Requests. Mr. McCrady first reviewed the eighteen (18) mini grant requests, including request of Boy Scout Troop 1011 relative to funding \$4,286.24 to purchase rock climbing and camping equipment. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Martin and seconded by Director Persson, which unanimously carried, to approve a grant in the amount of \$4,286.24 for such purpose.

Mr. McCrady next reviewed the request of Cub Scout Pack 911 relative to funding \$1,882.73 to purchase a canopy, turkey fryer kit, and other outdoor camping equipment. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Wetz and seconded by Director Persson, which unanimously carried, to approve a grant in the amount of \$1,882.73 for such purpose.

Mr. McCrady next reviewed the request of Cub Scout Pack 911/Boy Scout Troop 1011 relative to funding \$4,381.00 to purchase a building to store camping equipment. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Carlisle and seconded by Director Martin, which unanimously carried, to approve a grant in the amount of \$4,381.00 for such purpose.

Mr. McCrady next reviewed the request of the EMC Firefighter Association relative to funding \$5,000.00 for repairs and rehab of first response vehicle. Mr. McCrady noted that the District did not receive a letter of support from the Emergency Services District as requested. After discussion, a motion was made by Director Wetz and seconded by Director Zepeda, which carried, with Director Carlisle abstaining, to decline making the requested \$5,000.00 grant.

Mr. McCrady next reviewed the request of Montgomery County on behalf of the EMC Senior Center relative to funding \$5,000.00 to purchase and install tv's and upgraded sound system in the Senior Center. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Persson and seconded by Director Martin, which unanimously carried, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of East Montgomery County YMCA relative to funding \$5,000.00 to purchase indoor basketball and soccer equipment for pre-school sports program. He noted that the staff recommended declining the request. After discussion, a motion was made by Director Wetz and seconded by Director Hesson, which carried, with Director Martin being opposed, to decline making the requested \$5,000.00 grant.

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Mr. McCrady next reviewed the request of the Friends of Splendor AG ("Friends") relative to funding \$4,792.60 to rent sport clay throwers and to purchase pallets of clay for their fundraising event. He noted that the staff recommended not funding the request. After discussion, a motion was made by Director Martin and seconded by Director Rogers, which unanimously carried, to approve a grant in the amount of \$4,792.60 for such purpose.

Mr. McCrady next reviewed the request of Heaven's Army of Resources & Recreation Center relative to funding \$5,000.00 to purchase toys, bicycles and food for Operation Giving Heart. He noted that the staff recommended not funding the request. After discussion, a motion was made by Director Rogers and seconded by Director Carlisle, which carried, with Director Wetz being opposed, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of the Impact Church New Life, Inc. ("Impact") relative to funding \$3,950.00 to purchase outdoor playground for the new church building that will be open to public. He noted that no Form 1295 was submitted with the application and that the staff recommended declining the funding request. The Board concurred that the application was incomplete and directed that the request be removed from consideration.

Mr. McCrady next reviewed the request of the Montgomery County Constable Pct. 4 relative to funding \$5,000.00 to upgrade the outboard motor on its inflatable air rescue boat. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Martin and seconded by Director Carlisle, which unanimously carried, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of the Montgomery County Constable Pct. 4 relative to funding \$5,000.00 to purchase new motor for rescue boat. He noted that the staff recommended not funding the request. After discussion, a motion was made by Director Martin and seconded by Director Carlisle, which unanimously carried, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of the New Caney ISD Foundation relative to funding \$4,541.00 to purchase equipment, advertising and other needs of the F.A.N. Club Community Campaign. He noted that the staff recommended not funding the request. After discussion, a motion was made by Director Persson and seconded by Director Martin, which carried, with Director Webb abstaining, to decline making the requested \$4,541.00 grant.

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Mr. McCrady next reviewed the request of the Roman Forest Police Department relative to funding \$2,500.00 to purchase police app for smart phones and devices to interact with the police department and residents. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Rogers and seconded by Director Webb, which carried, with Director Carlisle abstaining, to defer consideration of the \$5,000.00 grant request indefinitely.

Mr. McCrady next reviewed the request of the Splendora ISD relative to funding \$5,000.00 for Project ELL for English language learning students. He noted that the staff recommended not funding the request. After discussion, a motion was made by Director Persson and seconded by Director Martin, which carried, with Director Martin abstaining, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of the Splendora ISD relative to funding \$5,000.00 for training and supplies for participants in a new initiative for Rachel's Challenge anti-bullying campaign. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Rogers and seconded by Director Wetz, which carried, with Director Martin abstaining, to approve a grant in the amount of \$5,000.00 for such purpose.

Mr. McCrady next reviewed the request of the Splendora ISD Gifted and Talented relative to funding \$5,000.00 for construction of a walking path between the Splendora High School parking lot and Administration Building. He noted that the staff recommended not to fund the request. After discussion, a motion was made by Director Persson and seconded by Director Wetz, which carried, with Director Martin abstaining, to decline making the requested \$5,000.00 grant.

Mr. McCrady next reviewed the request of the Splendora ISD Police Department relative to funding \$3,754.00 to replace bullet proof vests for 5 officers. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Wetz and seconded by Director Zepeda, which unanimously carried, to approve a grant in the amount of \$3,754.00 for such purpose.

Mr. McCrady next reviewed the request of the Splendora Wildcat Band Booster Association relative to funding \$5,000.00 for the purchase of black attire for the band. He noted that the staff recommended not to fund the request. After discussion, a motion was made by Director Persson and seconded by Director Wetz, which unanimously carried, to decline making the requested \$5,000.00 grant.

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Mr. McCrady next reviewed the nine (9) regular grant requests, including the request of the City of Splendora relative to funding \$14,406.00 of a total project cost of \$28,812.00 to construct a restroom facility for Heritage Park. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Persson and seconded by Director Martin, which unanimously carried, to approve a grant in the amount of \$14,406.00 for such purpose.

Mr. McCrady next reviewed the request from the City of Patton Village Police Department relative to funding \$29,894.50 of a total project cost of \$59,789.00 to provide uniforms, equipment and non-lethal options of defense for police officers. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Carlisle and seconded by Director Hesson, which unanimously carried, to approve a grant in the amount of \$29,894.50 for such purpose.

Mr. McCrady next reviewed the request from the Friends of the R.B. Tullis Library relative to funding \$6,000.00 of a total project cost of \$9,000.00 to purchase books, eBooks, books on CD and movies for adult, young adult and children's areas. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Zepeda and seconded by Director Persson, which unanimously carried, to approve a grant in the amount of \$6,000.00 for such purpose.

Mr. McCrady next reviewed the request of Humble Area Assistance Ministries ("HAAM") relative to funding \$30,000 of a total project cost of \$39,900.00 to fund food fairs and food assistance and rental assistance to low and moderate income individuals and families who resident in Montgomery County. He noted that the staff recommended reducing the grant amount to \$15,000.00 due to the large number of applicants. After discussion, a motion was made by Director Martin and seconded by Director Persson, which carried, with Directors Wetz and Zepeda being opposed and Director Carlisle abstaining, to approve a grant in the amount of \$15,000.00 for such purpose, with HAAM providing \$5,000 in matching funds.

Mr. McCrady next reviewed the request of Mission Northeast relative to funding \$30,000 of a total project cost of \$51,583.00 to extend and improve the parking lot. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Martin and seconded by Director Rogers, which carried, with Director Wetz abstaining, to approve a grant in the amount of \$30,000.00 for such purpose.

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Mr. McCrady next reviewed the request from New Caney ISD Education Foundation relative to funding \$30,000.00 of a total project cost of \$45,657.87 for teaching grant funding. He noted that the staff recommended declining the funding request due it being a large project not clearly defined in the application. After discussion, a motion was made by Director Persson and seconded by Director Zepeda, which carried, with Director Webb abstaining and Directors Carlisle and Hesson being opposed, to decline making the requested \$30,000.00 grant.

Mr. McCrady next reviewed the request from Northcrest Ranch POA relative to funding \$30,000.00 of a total project cost of \$75,00.00 to purchase park and playground equipment for residents of Northcrest Ranch and all members of the community. He noted that the staff recommended declining the request noting the grant funds could be better utilized in a county park project more open to the entire community. After discussion, a motion was made by Director Rogers and seconded by Director Wetz, which carried, with Director Carlisle abstaining, to decline making the requested \$30,000.00 grant.

Mr. McCrady next reviewed the request of the Splendora FFA Booster Club relative to funding \$26,610.66 of a total project cost of \$39,916.00 to purchase a trailer to transport student projects to East Montgomery County Fair and major shows across the state. He noted that the staff recommended funding the request. After discussion, a motion was made by Director Zepeda and seconded by Director Wetz, which unanimously carried, to approve a grant in the amount of \$26,610.66 for such purpose.

Mr. McCrady next reviewed the request from New Caney Horizons, Inc. relative to funding \$30,000.00 of a total project cost of \$165,680.00 to minimize current cash short-fall and stabilize the budget. He noted that the staff recommended declining the request due to a large number of applicants and this being the 3rd request for general operating expenses. After discussion, a motion was made by Director Carlisle and seconded by Director Webb, which unanimously carried, to defer consideration of the \$26,610.66 grant request indefinitely.

The Board next considered a presentation by TIRZ 10 relative to the proposed traffic improvements on Northpark Drive. Mr. Sarman, Chairman of TIRZ 10, addressed the Board and discussed plans for mobility improvements in the Kingwood area. He stated that they plan to improve three (3) intersections, including West Lake Houston Parkway at Kings Crossing, West Lake Houston Parkway at Northpark Drive and Hamblen Road at North Forest Lane. Mr. Sarman stated that the larger projects will be constructed with others. He noted that the first project will

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be on Northpark Drive from the railroad tracks east to Woodland Hills Drive. Mr. Sarman stated they are working to get federal funds for the project and that the project will expand the road from 4 lanes to 6 lanes and eliminate the center ditch. He stated that the plan includes building an overpass over the railroad tracks at Loop 494, with service roads to be constructed on both sides of the overpass. Mr. Sarman stated that the total cost of the improvement projects is approximately \$60,000,000 and noted that TIRZ 10 will sell bonds next year to fund it's 1/3 share of the costs.

The Board next considered the approval of an audit report for the fiscal year ended June 30, 2016. Mr. Gonzalez presented and reviewed the draft audit with the Board and stated he was available for any questions the Board might have with regard to the audit. After discussion on the matter, Director Carlisle moved that the attached audit report for the fiscal year ended June 30, 2016, be approved, that the Chairman be authorized to execute the Annual Filing Affidavit on behalf of the Board and District, and that such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ"). 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 as reflected in said reports. Ms. Townley presented the attached financial and investments reports, and discussed the invoices presented for payment. Following review, Director Wetz made a motion to approve said reports as presented and to authorize payment of invoices on the Operating Fund being check nos. 13542 through 13663, inclusive, with check no. 13635 being voided, three (3) wire transfers and debits for payroll, and on the Special Events Fund, being check nos. 2497 through 2499, as set forth on the attached reports. Director Hesson seconded the 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. Deputy Looza presented and reviewed the attached statics report for the period of October 15 - November 7, 2016.

The Board next considered the following announcements:

- EMCID Open House – December 5th from 11:00 a.m. to 7:00 p.m.

The Board next recessed to Executive Session at 8:20 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

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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 9:42 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 the status of proposed design of new building, including the approval of an agreement with the architect for design of the new building. Mr. McCrady discussed the community meeting and stated that he will have more information available at the District's open house on December 5, 2016. The Board concurred that Mr. McCrady should get a proposed contract with Turner Duran Architects for design of the building for consideration at the December meeting.

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.

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 the construction will start in approximately 15 days.

The Board next considered the approval of plans and specifications, review of bids and award of contract for the construction of roads to serve Industrial Park, Section 4. 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 approve the award of the project to Angel, as a joint construction agreement with Montgomery County to build the roads couldn't be reached at this time. After discussion, Director Carlisle moved to award the project to the low bidder, Angel, as set out above. Director Rogers seconded the motion, which unanimously carried.

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The Board next considered the status of platting Sections 3 and 4. Mr. Costanza reported that JAC plans to file the plats for Section 3 and Section 4 next week.

The Board next considered the status of the contract with Quadvest for construction of wastewater lift station. Mr. Costanza reported that the coating is complete and presented change order no. 1, a \$6,300 increase to the contract amount, the executed Form 1295, and recommended that the Board approve of same. After discussion, Director Persson moved to approve change order no. 1, as set out above. Director Hesson 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 presented pay estimate no. 2 in the amount of \$125,834.21, pay estimate no. 3 in the amount of \$3,100.57, and change order no. 1, an \$18,000 increase to the contract amount, the executed Form 1295, and recommended that the Board approve the payment of the pay estimates and approve the change order. After discussion, Director Persson moved to approve the payment of pay estimate no. 2 and no. 3 to Quadvest, and change order no.1, as set out above. Director Hesson seconded the motion, which unanimously carried.

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 stated that JAC received 6 bids and that the low bid was submitted by E&S Construction ("E&S"), in the amount of \$1,018,900. He presented the executed Form 1295 from E&S and recommended that the Board award the project to E&S. After discussion, Director Carlisle moved to approve the award of the contract to the low bidder, E&S, as set out above. Director Hesson seconded the motion, which unanimously carried.

The Board next deferred the status of preparation of plans, review of bids and award of contract for construction of range for use by police within the District.

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 approval of an incentive agreement with Woodland Fluid Power, Inc. ("Woodland") 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

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property. After discussion, Director Persson moved to approve an incentive agreement with Woodland, to authorize the preparation of a Purchase and Sale Agreement 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. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the approval of an incentive agreement with Metal Specialties or assignees ("MS") 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. After discussion, Director Persson moved to approve an incentive agreement with MS, to authorize the preparation of a Purchase and Sale Agreement 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. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the approval of an incentive agreement with Fire Ant Rescue d/b/a Bug Police ("Fire Ant") 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. After discussion, Director Persson moved to approve an incentive agreement with Fire Ant, to authorize the preparation of a Purchase and Sale Agreement 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. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the approval of an incentive agreement with Remington Valve, LLC & Multiplex Machinery, Inc. ("Remington") 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. After discussion, Director Persson moved to approve an incentive agreement with Remington, authorize the preparation of a Purchase and Sale Agreement and authorize the President and Chair to take all actions and execute all required documents in connection with the purchase and sale of the property. Director Carlisle seconded the motion, which unanimously carried.

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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 approval of incentive agreements with the following entities, including Haley Overstreet d/b/a Color Me Beautiful II Hair Salon; Plaza Plastics Corp.; and Veer Hanuman Hospitality, Inc. After discussion, Director Persson moved to approve the incentive agreements with the entities as set out above. Director Carlisle seconded the motion, which unanimously carried.

The Board next considered the status of construction of the splash pad in the City of Splendor. Mr. Costanza reported that he has inspected the project and noted 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 new 0.499 acre and 0.195 acre access easement is at the City of Roman Forest for approval by the City Council at its next meeting scheduled for November 21, 2016.

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