

MINUTES OF SPECIAL MEETING
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT
July 11, 2013

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

The Board of Directors of East Montgomery County Improvement District (the "District") met in Special Session, open to the public, on the 11th day of July, 2013, at 12:30 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:

Connie Bloodworth	Chair
Linda W. Floyd	Vice Chair
Brenda Webb	Secretary/Treasurer
Dale Martin	Director
Vickie Thumann	Director
Fred Wetz	Director
Isidor Ybarra, Jr.	Director

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

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks and Dr. Katherine Persson.

The Chair called the meeting to order and announced that a quorum was present.

As the first order of business, the Board considered the acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for Katherine Persson. Director Floyd questioned the possibility of conflicts created by Dr. Persson currently serving on the Scholarship Foundation Board. Dr. Persson advised that she will resign from the Scholarship Foundation Board of Directors. Director Floyd stated she was told that EMCID spouses could not serve on the East Montgomery County Municipal Utility District No. 3 ("No. 3") Board of Directors and therefore objected to accepting the Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for Katherine Persson, since her husband is on the No. 3 Board. Director Floyd further noted that she would like the Attorney General to issue an opinion on whether

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Dr. Persson can serve on the EMCID Board. The Board was then presented with evidence of the qualifications of Dr. Persson to serve on the Board of Directors. Mr. Marks advised that the qualification statement had been executed by Dr. Persson and that same would be filed with the Secretary of State in a timely manner. Dr. Persson then took her oath of office. After discussion on the matter, it was moved by Director Thumann, seconded by Director Wetz, which carried with Director Floyd being opposed, that the Board accept said qualification statement, election not to disclose certain information, and oath of office. Director Persson participated in the remainder of the meeting.

The Board next considered a workshop regarding the District's operating budget for the fiscal year ending June 30, 2014. In that regard, Director Bloodworth advised that she did not want to hold a workshop to discuss the budget, as the Budget Committee has not yet met. She stated she would like to have a committee meeting first and have the committee report back to the Board. The Board concurred with Director Bloodworth's recommendation.

The Board next considered a report from the Policies and Procedures Committee relative to the District Code of Ethics, District Travel and Expense Reimbursement Policy ("Policy") and the District Employee Handbook ("Handbook"). Director Thumann made a motion to discuss the Policy and Handbook as presented by the committee. Director Persson seconded said motion, which unanimously carried. The Board then discussed the District Travel and Expense Reimbursement Policy. Director Persson questioned the 125% reimbursement amount found on page 3. Director Bloodworth advised as to how the 125% reimbursement amount was derived. After discussion, Director Wetz moved that the 125% reimbursement amount be changed to 100% reimbursement. Director Thumann seconded said motion, which passed, with Directors Floyd and Bloodworth being opposed. Director Floyd then moved that the Policies and Procedures Committee be directed to rewrite the entire Personnel Automobile Travel Policy paragraph to better explain the reimbursement amount. Director Bloodworth seconded said motion. Director Floyd then withdrew her motion and Director Bloodworth withdrew her second, with the Board concurring with said withdrawals. There being no other comments or requested amendments to the Policy or the Handbook, the Board concurred that discussion of the recommendations of the Policies and Procedures Committee be closed.

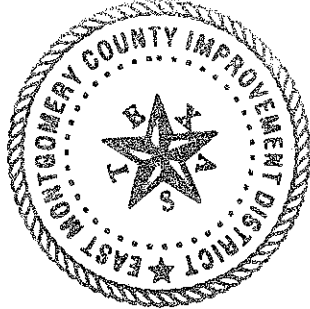
Director Ybarra entered the meeting during the previous discussion.

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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)



Secretary, Board of Directors