

MINUTES OF REGULAR MEETING  
EAST MONTGOMERY COUNTY IMPROVEMENT DISTRICT  
June 27, 2013

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 27<sup>th</sup> day of June, 2013, 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 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, thus constituting a quorum.

Also present were Mr. Frank McCrady, Ms. Suzanne Parmer, Mr. David Marks, Mr. Cory Burton, Mr. Joe Costanza, Mr. Eric Gonzales, Mr. Anthony Lasky and others from the community, as shown on the attached sign in sheet.

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

Mr. Rogers led in prayer followed by the pledge of allegiance led by Director Ybarra.

As the first order of business, the Board considered comments from members of the audience. In connection therewith, Chairperson Bloodworth noted that no one had signed up to address the Board.

The Board next considered execution of Grant Agreements and presentation of Community Development Grants. In that regard, Chairperson Bloodworth executed the Agreements and distributed the checks.

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The Board next considered the review and approval of the minutes of the Board of Directors meetings held on May 7, May 14, and May 30, 2013. After review and discussion, Director Floyd moved that the minutes of the Board of Directors meetings held on May 14 and May 30, 2013, be approved as written, and that the minutes of the Board of Directors meeting held on May 7, 2013, be approved as corrected. Director Thumann seconded said motion, which unanimously carried.

The Board next considered the appointment of a Director to fill the vacancy created by the resignation of Director Idoux. Director Martin made a motion to appoint Dr. Katherine Persson to fill the vacancy created by the resignation of Director Idoux. Director Thumann seconded said motion. Director Webb made a motion to nominate Mr. Scott Hesson to fill the vacancy created by the resignation of Director Idoux. Director Floyd seconded said motion. After discussion, the Chairperson called for a vote on the motion to appoint Dr. Katherine Persson, and with Directors Martin, Thumann, Wetz and Ybarra voting in favor, and Director Webb, Chairperson Bloodworth and Vice Chairperson Floyd opposed, the motion passed. It was then noted that no vote would be held on the motion to nominate Mr. Hesson, as majority of the Directors voted in favor of Dr. Persson to fill the vacancy.

The Board next deferred the acceptance of a Qualification Statement, Oath of Office and Election Not to Disclose Personal Information for Director Persson, after Director Persson advised that she preferred to take her oath and begin serving at the Board's next meeting.

The Board next deferred the election of an Assistant Secretary of the Board of Directors.

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending June 30, 2013. In connection therewith, Mr. Gonzales presented to the Board an engagement letter from McCall Gibson Swedlund Barfoot PLLC ("McCall") and stated it will cost approximately \$11,000 to \$12,500 to prepare the District's audit report. After discussion on the matter, a motion was made by Director Thumann and seconded by Director Wetz, which carried, with Director Floyd abstaining, that the Board engage McCall to prepare the District audit report for the fiscal year ending June 30, 2013.

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, Mr. Burton presented the financial and investments reports, copies of which are attached hereto, and discussed the invoices for payment. Following review, Director Thumann moved that

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said reports be approved as presented and that payment of invoices be authorized on the Operating Fund being check nos. 10370 through 10459, inclusive, with check nos. 10026 and 10211 being voided, two (2) wire transfers and debits for payroll, and on the Special Events Fund being check nos. 2329 through 2333, as set forth on the attached reports. Director Webb seconded said motion, which unanimously carried.

The Board next deferred the adoption of operating budget for fiscal year ending June 30, 2014, after noting that the Committee has not yet met.

The Board next considered request of the City of Roman Forest for an emergency grant for the repair of vandalized pool facilities. Mr. McCrady reviewed the attached request with the Board and questioned whether the Board wanted to take action outside the Board's normal grant consideration schedule and noted that the request is in the amount of \$10,000 to repair and secure the pavilion. After discussion on the matter, the Board concurred to take no action at this time.

The Board next considered the approval of a license agreement with the Houston Metro Go Texan Committee of the Houston Livestock Show and Rodeo. Mr. McCrady advised that the agreement will allow land in Industrial Park to be used for a fundraising skeet shoot for a total of three days. After discussion on the matter, a motion was made by Director Martin and seconded by Director Wetz, which carried, with Director Floyd opposing and Director Thumann abstaining due to serving on the Committee, that the Board approve the license agreement with Houston Metro Go Texan Committee of the Houston Livestock Show and Rodeo.

The Board next considered a report on the status of the EarthQuest project. In that regard, Mr. Brown advised that fundraising is continuing, he "has a prospective with more than nine groups" and that he believes the project will be completed.

The Board next considered the status of the proposed Grand Texas project. In connection therewith, Mr. McCrady advised the project is continuing to move forward and that he is planning to make a significant announcement in July.

The Board next deferred 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 building settlement investigation.

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The Board next considered the approval of a proposal for the purchase and installation of District signs throughout the District. In that regard, Mr. Costanza advised that there are twenty (20) locations within the District at a cost of \$17,420 plus \$16,696 for installation, including Industrial Park signs at a total cost of \$34,116. After discussion on the matter, a motion was made by Director Ybarra and seconded by Director Webb, which failed, with Directors Webb, Ybarra and Wetz in favor and Directors Thumann, Martin, Floyd and Bloodworth opposing to said motion. After further discussion on the matter, a motion was made by Director Floyd and seconded by Director Thumann, which carried, with Director Martin opposed, to authorize purchase of the signs at a total cost of \$34,116 and authorize the District's engineer to prepare a plan for maintenance and replacement.

The Board next recessed to Executive Session at 6:23 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 9:55 p.m.

The Board next considered the review of the District Code of Ethics and other Policies. In connection therewith, Director Ybarra moved that the Board defer the review of the District Code of Ethics and other Policies. Director Wetz seconded said motion, which unanimously carried. Director Martin expressed his appreciation to all who participated in preparation of the Policies.

The Board next considered a report on activities within the Industrial Park. In connection therewith, the Board deferred the review of bids and award of a contract for the construction of extension of sanitary sewer line along Caroline Way after Mr. Costanza noted that the project is still on hold.

The Board next considered approval of a letter of intent, authorize preparation of real estate purchase and sale contract, and authorize the President and District consultants to take all actions required to close the sale of property in connection with the sale of approximately 21 acre tract to Command Energy. After discussion on the matter, Director Thumann moved that the letter of intent be approved and to authorize preparation of real estate purchase and sale contract, authorize the President and District consultants to take all actions required to close the sale of property in

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connection with the sale of approximately 21 acre tract to Command Energy. Director Wetz seconded said motion, which unanimously carried.

Vice Chairperson Floyd assumed the chair.

The Board next considered approval of a letter of intent relative to Keysteel Expansion. After discussion, Director Thumann made a motion to approve the letter of intent relative to Keysteel Expansion and that the Chairman be authorized to execute same on behalf of the Board and the District. Director Webb seconded said motion, which unanimously carried.

The Board next considered authorizing entering into an agreement with Lone Star College for grant of up to 25 acres of land for development of an oil field Work Force Training Center. Dr. Persson next discussed the project with the Board. After discussion on the matter, Director Martin made a motion to approve authorizing the District to enter into an agreement with Lone Star College for grant of up to 25 acres of land for development of Work Force Training Center. Director Wetz seconded said motion, which carried, with Director Bloodworth opposed.

The Board next considered approval of a letter of intent, authorize preparation of real estate purchase and sale contract, and authorize the President and District consultants to take all actions required to close the sale of property in connection with the sale of approximately 4 acre tract to Gates Engineered Lubricant, LLC. After discussion on the matter, Director Thumann moved that the letter of intent be approved and to authorize preparation of real estate purchase and sale contract, authorize the President and District consultants to take all actions required to close the sale of property in connection with the sale of approximately 4 acre tract to Gates Engineered Lubricant, LLC. Director Webb seconded said motion, which unanimously carried.

The Board next considered approval of a letter of intent, authorize preparation of real estate purchase and sale contract, and authorize the President and District consultants to take all actions required to close the sale of property in connection with the sale of approximately 13 acre tract to Enascor. After discussion on the matter, Director Thumann moved that the letter of intent be approved and to authorize preparation of real estate purchase and sale contract, authorize the President and District consultants to take all actions required to close the sale of property in connection with the sale of approximately 13 acre tract to Enascor. Director Ybarra seconded said motion, which unanimously carried.

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The Board next considered the approval of a sponsor agreement with TxDOT regarding Jefco Development Corp. project in the District. After discussion, Director Thumann moved that the President and District consultants be authorized to negotiate the terms of a sponsor agreement relating to the drainage and detention facilities to serve the project, that the President or Chairperson be authorized to execute same on behalf of the Board and the District and to authorize preparation of contracts in connection therewith. Director Webb seconded said motion, which unanimously carried.

The Board next considered authorizing completion, execution and filing with the Secretary of State of Voting System Annual Filing Form relative to District elections. Following discussion, a motion was made by Director Ybarra and seconded by Director Wetz, which carried unanimously, to authorize the completion, execution and filing with the Secretary of State of Voting System Filing Form.

The Board next considered the following announcements:

Director Thumann reported regarding AMCON trade shows.

Director Webb reported regarding ICSC trade shows.

Director Ybarra presented a letter received from the Masonic Lodge inviting the Board to attend the installation of offices to be held on June 29<sup>th</sup> at 5:30 p.m.

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.



Secretary, Board of Directors

(SEAL)

