

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

April 19, 2018

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY EMERGENCY SERVICES DISTRICT NO. 11

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The Board of Commissioners (the "Board") of Harris County Emergency Services District No. 11 (the "District") met in regular session, open to the public, at 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Thursday, April 19, 2018, at 10:00 a.m.; whereupon, the roll was called of the members of the Board, to-wit:

Tommy Ripley	President
Karen Plummer	Vice President
Fred Grundmeyer	Secretary
Robert Pinard	Treasurer
Josh Fetner	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Bill Russell of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson"), auditors for the District; Mr. Michael Pate, a member of the Board of Commissioners of Harris County Emergency Services District No. 16 ("ESD 16"); Mr. Adrian Brown, a member of the Board of Directors of Harris County Municipal Utility District No. 150; Ms. Linda Mercer; Messrs. Wayne Dolcefino and Larry Kirk of Dolcefino Consulting ("Dolcefino"); and Ms. Regina D. Adams, attorney, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; In addition, the following representatives of Cypress Creek Emergency Medical Services ("CCEMS") were in attendance at the meeting: Messrs. Dave Billings and Ruben Gonzales, members of the Board of Directors of CCEMS; Mr. Brad England, Executive Director of CCEMS; and Mr. Norm Uhl, Public Information Officer ("PIO") for CCEMS.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

After a 30-second moment of silence for prayer and reflection, the Board conducted the Pledge of Allegiance to the United States' Flag.

This meeting was video recorded by Mr. Kirk for use by Dolcefino.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Pinard stated that he has nothing to report on this item at this time.

APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the regular meeting of March 15, 2018 and the certified agenda for the Executive Session of March 15, 2018, previously distributed to the Board. Ms. Adams noted that the certified agenda is considered confidential information under the Texas Open Meetings Act (the "Act") and, therefore, may not be shared with anyone. Ms. Adams added that the Act provides for court-ordered access of certified agendas under specific circumstances. Upon motion by Commissioner Plummer, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of March 15, 2018 and the certified agenda for the Executive Session of March 15, 2018, as presented.

REVIEW AND APPROVE ANNUAL AUDIT REPORT FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2017

Mr. Ellis next distributed and reviewed with the Board the draft of the District's audit report and management letter for FYE December 31, 2017 (the "Audit"), copies of which are attached hereto. Mr. Ellis explained that McCall Gibson has given the District an unqualified audit opinion. Mr. Ellis then briefly reviewed other information reflected in the Audit and responded to various questions from the Board. Upon motion by Commissioner Pinard, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Audit, subject to final review and comments by the Board and the District's attorney, and authorize the filing of the Audit with all required governmental entities/agencies, including the clerk of the Harris County Commissioner's Court.

UPDATE ON E-VIEWS PREEMPTION SYSTEM DEVICES, INCLUDING STATUS OF INSURANCE CLAIM FOR DAMAGE TO VARIOUS SAFETY SYSTEM, INC., E-VIEWS DEVICES DURING HURRICANE HARVEY, STATUS OF REPAIR/REPLACEMENT OF DAMAGED E-VIEWS DEVICES AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Fetner next reminded the Board that he and Mr. Pate have been attending stakeholder meetings with all of the representatives of affected E-Views intersection preemption controller devices to discuss options for the proposed replacement of such devices. Commissioner Fetner and Mr. Pate went on to report that, due to the continuing advancement of technology, the E-Views intersection controller devices will be obsolete in the near future and that Harris County (the "County") and likely the Texas Department of Transportation ("TxDot"), have decided to replace the intersection preemption controller devices for County and State roads with newer, more updated devices. Commissioner Fetner and Mr. Pate noted that the County has established new standards/tests for intersection controller devices and E-Views has yet to pass such tests and likely will not.

Mr. Ellis exited the meeting at this time.

Commissioner Fetner and Mr. Pate then presented to and reviewed with the Board a summary of the costs, vendor options and necessary equipment to transition from the E-Views intersection preemption controller devices to a different intersection preemption controller device vendor that will be compatible with the County's newer, more updated devices, a copy of which is attached hereto. Mr. Pate went on to state that all other stakeholders (Harris County Emergency Services District Nos. 7, 13, 16, 28 and 29) have been considering approval of a subscription-based system with three (3) different potential vendors for the replacement of all

E-View devices. Mr. Pate noted that only two (2) vendors have obtained the appropriate certifications for their respective devices from the County; GTT/Opticom and Applied Info/Paradigm. In response to a question, Mr. Pate stated that the subscription-based system would require each stakeholder to pay an annual pro-rata "intersection" fee based on percentage of participating intersections and an annual pro-rata "vehicle" fee based on percentage of participating vehicles. Mr. Pate noted that, with the new subscription-based system, each stakeholder will be invoiced directly from the approved vendor. Commissioner Fetner stated that the District's estimated pro-rata share of the annual: 1) intersection cost is \$204,569.94 (with GTT/Opticom) and \$219,199.48 (with Applied Info/Paradigm); and 2) vehicle cost is \$40,969.80 (with GTT/Opticom) and \$40,500.00 (with Applied Info/Paradigm).

Mr. Brown entered the meeting at this time.

Mr. Pate added that the subscription-based system would include all costs for maintenance, repairs and technology upgrades of the intersection controller devices. In response to a question, Mr. Pate stated that the proposed service contract(s) with the vendor of choice would require that the vendor meet any newly implemented County standards or technology upgrades for preemption controller devices. Mr. Pate went on to state that the County is currently replacing all of its intersection preemption controller devices and is required to complete same within the year. In response to a question, Mr. Pate stated that Mr. Mike Taylor of Taylor Traffic will continue to coordinate with all stakeholders regarding any necessary maintenance required on the new intersection preemption controller devices.

Upon motion by Commissioner Plummer, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to authorize RBAP to review the draft service contract with GTT/Opticom, when available. In response to a question, Ms. Adams stated that her office will provide the Commissioners with the draft service contract upon receipt of same.

Mr. Pate exited the meeting at this time.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, INCLUDING CONSIDERATION OF MONTHLY OPERATIONS FUNDING REQUESTS, CAPITAL FUNDING REQUESTS AND REQUEST FOR FUNDING ASSISTANCE OF PROPOSED SALARY INCREASE

Commissioner Ripley then recognized Mr. England, who presented to and reviewed with the Board the Executive Director's Report, the monthly CCEMS Operations and Financial Reports, including the operations statistics for the month of March 2018, the 2018 CCEMS budget comparison and reports from CCEMS PIO, copies of which are attached hereto. Mr. England reported that during the month of March there were 2,345 transports, nine (9) Life Flight transports, and that 29% of the calls made during the month were "no transports." Mr. England went on to report that during the month of March, CCEMS had received 16 mutual aid assists and provided 25 mutual aid assists outside of CCEMS's boundaries.

Mr. England stated that a copy of the presentation in connection with the results of a recent market salary survey conducted by CCEMS, which was provided at the March Board meeting, was attached to his report. Mr. England then requested that the Board consider assisting CCEMS with funding the proposed salary structure increase in the amount of \$96,000 per month starting in June 2018. Upon motion by Commissioner Fetner, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the

Board voted four (4) votes in favor, with Commissioner Pinard abstaining, to authorize the proposed CCEMS salary structure increase, as presented.

Mr. England next reminded the Board that CCEMS had recently re-implemented the Community Wellness and Paramedic Program (the "Wellness Program"), which allows a physician's assistant to respond directly to less urgent patients that do not require an ambulance. Mr. England went on to report that necessary vehicles and equipment have been ordered for the Wellness Program.

Mr. England then reported that the CCEMS audit for FYE December 31, 2017 (the "CCEMS Audit") is completed and, once approved by the CCEMS Board, will be provided to the District.

Mr. England next requested that the District provide capital funding for the purchase of new Stryker chairs (30), stretchers (3), Lucas devices (3) and the related warranties for CCEMS ambulances at a total cost of \$226,242. In response to a question, Mr. Russell stated the District budgeted \$780,000 for capital expenditures in 2018.

Mr. England reported that the CCEMS Clinical Fellowship Program will resume at the beginning of July.

Upon motion by Commissioner Plummer, seconded by Commissioner Fetner, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCEMS Operations and Financial Report, authorize the CCEMS Operations payment in the amount of \$1,213,560.00 for the month of April and approve the capital funding request and payment thereof in the amount of \$226,242 for the purchase of new equipment as described above for CCEMS ambulances.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON FINANCIAL MATTERS, INCLUDING FINANCIAL REPORT FROM DISTRICT TREASURER AND BOOKKEEPER

Mr. Russell then presented to and reviewed with the Board the Bookkeeper's Report, including the revenues and expenses of the District, the budget comparison, the adopted budget for FYE December 31, 2018, the investment report and the checks being presented for payment at the meeting, copies of which are attached hereto.

Mr. Russell next reported that during the prior month, the District had received \$228,663.68 in 2017 property tax revenue, \$3,518.33 in penalties and interest and \$2,187.42 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Compass Bank Operating Account.

In response to a question from Commissioner Ripley, Ms. Adams explained that RBAP's invoice for the month of March 2018 was higher than normal due to a substantial amount of work performed in connection with and preparation for the May 5, 2018 Commissioners Election (the "Election"). Ms. Adams noted that the invoice for the month of April 2018 will be higher than the March 2018 invoice due to significant Election expenses and staff time necessary for compiling the required documents for the early voting clerk to mail the substantial numbers of ballot by mail packets applied for.

Upon motion by Commissioner Fetner, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report and authorize payment of the checks reflected therein.

REVIEW AND APPROVE DEPOSITORY PLEDGE AGREEMENT ("DPA") WITH SPIRIT OF TEXAS BANK ("SOT BANK")

Mr. Russell then reported that SOT Bank is offering competitive interest rates on money market accounts and certificates of deposit. Mr. Russell requested that the Board consider approving a DPA with SOT Bank so that the District can invest funds at SOT Bank in excess of the Federal Deposit Insurance Corporation ("FDIC") coverage limitation. Ms. Adams then presented to and reviewed with the Board a draft DPA with SOT Bank. Ms. Adams added that SOT Bank plans to use letters of credit as collateral to secure the District funds that are invested at SOT Bank and explained that letters of credit are a permissible form of collateral for District funds under the Public Funds Collateral Act. Ms. Adams further stated that her office has informed SOT Bank of the requirement to submit an original, completed Form 1295 along with the DPA. Upon motion by Commissioner Fetner, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the DPA with SOT Bank, subject to receipt of the Form 1295.

CONSIDER COMMISSIONER AND FORMER COMMISSIONER REQUESTS FOR REIMBURSEMENT OF DEFENSE COSTS AND ADOPTION OF REIMBURSEMENT RESOLUTION REGARDING SUCH REQUESTS

There were no requests for reimbursement at this time.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the monthly Tax Assessor/Collector Report for the month of March 2018, a copy of which is attached hereto. Ms. Adams reported that 96.85% of the District's 2017 tax levy has been collected as of March 31, 2018 with \$572,455.19 remaining to be collected.

CONSIDER AUTHORIZING PREPARATION OF RECONCILIATION AUDIT AND/OR FORENSIC AUDIT REPORT FOR FYE DECEMBER 31, 2017 (DISTRICT FUNDING VS. CCEMS EXPENDITURES)

Commissioner Ripley next reminded the Board that the District had previously engaged Roth & Eyring, CPA ("Roth & Eyring") to prepare reconciliation audits for FYE December 31, 2015 and FYE December 31, 2016, in connection with the review of CCEMS accounts funded through District payments pursuant to the Service Contract. Ms. Adams added that at the February Board meeting, the Board reviewed a proposal from Roth & Eyring for the preparation of a reconciliation audit for FYE December 31, 2017, which would cost between \$5,500 and \$6,500. Commissioner Pinard then stated that he continues to coordinate with another firm regarding their capabilities and availability to conduct the proposed audit.

It was the consensus of the Board to defer action on the reconciliation/forensic audit item until the May Board meeting.

STATUS OF PUBLIC RELATIONS ("PR") ACTIVITIES FROM NRG AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Ripley next reminded the Board that the Commissioners previously accepted the proposal from NRG for the provision of PR services to the District. Commissioner Ripley went on to state that the District engaged the services of NRG to assist the District with

more efficiently responding to recent false statements and misleading news articles regarding the District. Commissioner Ripley noted that the District is not under investigation by the Federal Bureau of Investigation (the "FBI") or the Internal Revenue Service (the "IRS"). A brief discussion ensued. Upon motion by Commissioner Pinard, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Commissioners Ripley and Fetner to a committee that will review and coordinate with NRG regarding any District press releases.

REVIEW, DISCUSS AND TAKE ACTION ON MISCELLANEOUS MEDIA MATTERS, INCLUDING UPDATE BY NRG ON STATUS OF DISTRICT'S WEBSITE

Mr. Johnson next reported on the status of the re-design of the District's website, <http://www.esd11.com> and noted that the website is up-to-date.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

Commissioner Ripley stated that he has not conducted any recent facility inspections and would not be conducting any facility inspections/tours after the Board meeting.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT, OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME

There was no report on any District construction, repair or renovation projects at this time.

In response to a question from Mr. England regarding the status of preparation of requested correspondence in connection with CCEMS' request to FEMA for reimbursement of the repair costs to the septic pumps at CCEMS Station No. 511, Ms. Adams agreed to check on the status of such correspondence.

DISCUSS PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF DISTRICT/BOARD GOALS FOR 2018 AND TAKE ANY NECESSARY ACTIONS ON SAME

No action was taken on this matter at this time.

ATTORNEY'S REPORT

UPDATE/REVIEW OF RECENT PUBLIC INFORMATION ACT ("PIA") REQUESTS AND STATUS OF RESPONSES TO SAME

Ms. Adams next reported that there had been two (2) PIA requests received since the March Board meeting, such requests being received from: 1) Dolcefino dated March 15, 2018 for copies of the mail-in ballot envelopes related to the District's May 7, 2016 Commissioners Election (the "2016 Election"); and 2) Referee PAC dated April 16, 2018 for all candidate campaign applications and finance reports in connection with the District's May 5, 2018 Commissioners Election. Ms. Adams reported on the status of RBAP's response to both such requests. Ms. Adams added that RBAP provided a cost estimate to Dolcefino on March 20, 2018, but Dolcefino's request has been considered automatically withdrawn since no written response was received from Dolcefino within ten (10) business days of such letter.

ELECTION AGENDA

UPDATE ON MAY 5, 2018 COMMISSIONERS ELECTION (THE "ELECTION") MATTERS AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Adams next reminded the Board that the Election will be held on Saturday, May 5, 2018, and noted that the terms of office of Commissioners Grundmeyer and Fetner are expiring at such time. Ms. Adams then reported on District Election-related matters, including: 1) the status of the ballot by mail applications and subsequent mailing of ballot by mail packets; 2) Election official training; 3) the commencement of early voting in person on Monday, April 23rd; and 4) early voting and Election Day equipment.

Ms. Adams went on to report that the Notice of Election (English, Spanish, Vietnamese and Chinese) was posted at all the early voting and Election Day polling places by April 16th, as required. Ms. Adams added that the Notice of Election will also be posted at the polling places that were used for the 2016 Election by Election Day.

Ms. Adams next reminded the Board that the District had previously purchased four (4) Electronic Poll Pad Books ("Poll Pads") plus software, from Hart Intercivic ("Hart") for each early voting location so that the early voting machines can communicate and inform Election officials if a voter has previously cast a vote at another early voting location or cast a ballot by mail. Ms. Adams inquired whether the Board would be interested in purchasing two (2) Poll Pads plus software, from Hart, in the amount of \$3,170 for the two (2) additional Election Day polling locations so that Poll Pads can be used at all Election Day polling places. A brief discussion ensued. It was the consensus of the Board to not purchase two (2) additional Poll Pads for the Commissioners election to be held in 2020.

Ms. Adams reminded the Board that it had previously scheduled a meeting to canvass the results of the Election and such canvassing meeting will be held at 1:00 p.m. on Tuesday, May 15th.

Ms. Adams then stated that she had nothing further to report at this time.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

Commissioner Ripley recognized Mr. Dolcefino, who informed the Board that he had recently conducted an inspection of the District's 2016 Election records at RBAP. Mr. Dolcefino went on to state that he was shocked by his cursory review of such election records and his complaints include, but are not limited, to the following: 1) signatures on some ballot-by-mail envelopes are not legible; and 2) poll lists that did not contain voter signatures. Additionally, Mr. Dolcefino expressed he was not pleased with the amount of the cost estimate for the provision of copies of the 2016 Election ballot-by-mail envelopes and intends to file a complaint regarding same with the Texas Attorney General. Mr. Dolcefino then informed the Board that he had recently spoke with the County Clerk, regarding his complaints in connection with the District's 2016 Election. Mr. Dolcefino stated that Mr. Stanart will be contacting RBAP to schedule an audit of the District's 2016 Election records. Mr. Dolcefino then requested that the District hold its general elections in conjunction with the County elections, as recommended by Mr. Stanart. Ms. Adams informed Mr. Dolcefino that current laws prohibit the District from moving the District's general elections from May of even-numbered years to the November Uniform Election date. Mr. Dolcefino responded that he was not referring to the November Uniform Election date.

Mr. Dolcefino then offered to conduct un-edited interviews with all of the Board candidates.

There were no additional comments from the public at this time.

CONFIRM NEXT REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Thursday, May 17, 2018, at 9:00 a.m.

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

PASSED, APPROVED AND ADOPTED this 17th day of May, 2018.



Fred Gundwiler
Secretary, Board of Commissioners