

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

August 23, 2022

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

§
§
§

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 the District's Administration Building, 18334 Stuebner Airline Road, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Tuesday, August 23, 2022, at 5:00 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

Karen Plummer	President
Steve Williams	Vice President
Dorothy Dalton	Secretary
Robert Pinard	Treasurer/Asst. Secretary
Zach Dunlap	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were the following District employees: Mr. Douglas Hooten, Chief Executive Officer ("CEO"); Mr. Rob Farmer, Chief Administrative Officer ("CAO"); Mr. Jamie Chebra, Chief Operating Officer ("COO"); Mr. Dan Wang, Financial Controller; Ms. Shirley Ware, Executive Assistant; Ms. Katie Conn, Compliance Manager; Dr. Casey Patrick, Medical Director; Mr. Xavier De La Rosa, Chief Clinical Officer; Mr. Jerry Thomas, Community Engagement Manager; and Ms. Yazmin Aguire, In-Charge Paramedic. District consultants in attendance were: Mr. Ricardo Martinez of Martinez Architects ("MA"); Mr. John Howell of The GMS Group, L.L.C., the District's financial advisor; Ms. Regina D. Adams and Ms. Monica A. Garza, attorneys, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), general counsel for the District; Mr. Brian Trachtenberg of Greathouse Holloway McFadden Trachtenberg, PLLC ("Greathouse"), special counsel to the District; and Mr. Zach Karrenbrock of 62 Digital, LLC ("62 Digital"), the District's communications coordinator. Members of the public were also in attendance. A copy of the sign-in sheet is attached hereto.

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.

This meeting was video recorded by 62 Digital for use by the District. The meeting was also streamed live by 62 Digital on the District's website.

The Board held a 30-second moment of silence for prayer and reflection.

PUBLIC COMMENTS

There were no public comments at this time.

Commissioner Dunlap stated that it has been almost one (1) year since the District began self-operations and inquired how the other Commissioners feel about the current state of the District. Commissioners Plummer and Williams stated that they are very pleased with the current state of the District's operations. Commissioner Pinard stated that he is pleased with the current state of the District, but noted that there still needs to be some "fine tuning" of the District's operations and related reporting. Commissioner Dalton stated that, as a newer Commissioner, she was still meeting with District staff to evaluate and assess the current state of the District. Commissioner Dunlap noted that everyone has been kind and provided requested information but sees some room for improvement.

PRESENTATION OF MERITORIOUS AWARDS

Dr. Patrick then recognized Ms. Aguirre and presented her with a Meritorious Service Award in recognition of life saving actions taken by her on two (2) calls within a 24 hour period. Ms. Aguirre stated that her partner medic, Ms. Carla Moreno, could not attend the Board meeting due to a family emergency.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of July 26, 2022 and the special meeting of July 19, 2022. Upon motion by Commissioner Dalton, seconded by Commissioner Dunlap, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of July 26, 2022 and the special meeting of July 19, 2022, as presented, and the certified agendas for same.

ADMINISTRATION, DISPATCH AND LOGISTICS FACILITIES CONSTRUCTION/ DEVELOPMENT REPORT, INCLUDING:

STATUS OF COMPLETION OF CONSTRUCTION OF PHASE I REDEVELOPMENT OF DISTRICT ADMINISTRATION PROPERTY ("PHASE I PROJECT")

Mr. Martinez reported that MA has continued to coordinate with the District's Construction Committee and J.E. Dunn Construction Co. ("J.E. Dunn") representatives in connection with the completion of the Phase I Project. Mr. Martinez noted that there was one (1) remaining punch list item to be completed and the District continued to retain \$1,017,843 in connection with Phase I Project costs. Mr. Martinez stated that J.E. Dunn had received delivery of the one (1) remaining item – the high voltage signs - the day prior to the Board meeting. Mr. Martinez stated that there would be at least one (1) more Pay Application ("PA") for the Phase I Project. A discussion ensued.

STATUS OF CONSTRUCTION OF THE PHASE II REDEVELOPMENT OF THE DISTRICT ADMINISTRATION PROPERTY (THE "PHASE II PROJECT") FROM J.E. DUNN AND TAKE NECESSARY ACTION ON SAME

Mr. Martinez next presented to and reviewed with the Board the design and construction status report and photographs of the Phase II Project, copies of which are attached hereto. Mr. Martinez then reported that MA had reviewed and released the shop drawings for the ambulance wash bay. Mr. Martinez reported that MA was coordinating the design for the fence line along Spring Stuebner, the monument sign, the lobby and landscaping.

APPROVE CONSTRUCTION PAs AND/OR CHANGE ORDERS ("CO"), INCLUDING SUBMISSION OF FINAL PA AND STATUS OF PREPARATION OF AUDIT OF PHASE I EXPENDITURES ("PHASE I AUDIT"), IF NECESSARY

The Board then reviewed PA No. 16 from J.E. Dunn in the amount of \$1,158,762.00, of which \$64,191.00 was for the Phase I Project and \$1,094,571.00 was for the Phase II Project, a copy of which is attached hereto. Mr. Martinez noted that the total cumulative construction contract sum for the Phase I and II Projects was \$31,226,981.00, of which approximately \$21,786,258.00 was for the Phase I Project and \$3,943,948.00 was for the Phase II Project. A discussion ensued.

Ms. Adams reminded the Board that it previously engaged of the District's Auditor to conduct the Phase I Audit after receipt of the District's final PA for same. Ms. Adams went on to explain that once the final Phase I Project PA was presented to the District, the District's auditor would then proceed with preparation of the Phase I Audit. Ms. Adams noted that the Board would consider approval of the final PA after the Phase I Audit was approved.

Upon motion by Commissioner Williams, seconded by Commissioner Dunlap, after full discussion and the question being put to the Board, the Board voted unanimously to accept the MA Report and approve PA No. 16 in connection with the Phase I and Phase II Projects.

DISCUSS PROPOSED 2022 TAX RATE, HEAR FINANCIAL ADVISOR'S RECOMMENDATION, SET PUBLIC HEARING DATE AND AUTHORIZE PUBLICATION OF APPLICABLE NOTICE OF PUBLIC HEARING REGARDING SAME

Mr. Howell distributed for Board review and discussion the financial advisor's tax rate analysis and recommendation for the proposed 2022 tax rate, a copy of which is attached hereto. Mr. Howell reminded the Board that the District's 2021 tax rate was \$0.032305 per \$100 assessed valuation. Mr. Howell reported that the average taxable value of a home in the District increased from \$239,523 in 2021 to \$266,570 in 2022. Mr. Howell then reported that the District's 2021 certified taxable value was \$57.4 billion and the District's 2022 certified taxable value was then-currently \$54.5 billion with approximately \$12 billion in value remaining to be certified. Mr. Howell added that the District's tax base has grown by approximately \$8.9 billion from 2021. Mr. Howell went on to state that a \$0.029336 total tax rate would result in the average homeowner paying the District approximately \$0.82 more in taxes to the District than what was paid in 2021, and would generate approximately \$19.5 million in total tax revenue.

Mr. Howell then explained that \$0.029336 per \$100 of assessed valuation was the Voter Approval Rate, which was the maximum tax rate that can be set without requiring an election. Mr. Howell recommended that the Board publish a proposed 2022 tax rate of \$0.029336 and consider levying a tax rate in the same amount after the public hearing on same.

A discussion ensued regarding the tax rate options presented by Mr. Howell and the potential impacts of Senate Bill 2 from the 86th Texas Legislature in connection with the District setting its 2022 tax rate. The Board thanked Mr. Howell for his recommendation.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to propose a total tax rate for 2022 in the amount of \$0.029336 per \$100 assessed valuation, authorize the publication of the appropriate Notice regarding such proposed 2022 tax rate in the *Houston Chronicle* and schedule the public tax hearing on same to be held on September 27, 2022 at 5:00 p.m. at the District's Administration Building.

Mr. Trachtenberg entered the meeting at this time.

Mr. Howell exited the meeting at this time.

CEO REPORT

Mr. Hooten then reported on various service matters, including the status of the District's operations, ambulance fleet, communications, District staffing and hospital wall times during July 2022.

Mr. Hooten also noted that the results of the EMS Survey Team are attached to the CAO's report, as previously requested by Commissioner Dalton.

REVIEW AND APPROVE CONTRACT FOR SERVICES WITH BC SERVICES, INC. ("BC SERVICES") FOR DEBT COLLECTION SERVICES

REVIEW AND APPROVE SERVICES AGREEMENT WITH GRANT MERCANTILE AGENCY, INC. ("GMA") FOR DEBT COLLECTION SERVICES

Mr. Hooten then presented to and reviewed with the Board the proposed Contract for Debt Collection Services with BC Services and the related Business Associate Agreement ("BAA") and the proposed Services Agreement for Debt Collection Services with GMA and the related BAA. Mr. Hooten reminded the Board that it previously accepted the proposals from both BC Services and GMA for debt collection services. Ms. Adams stated that RBAP has reviewed the BC Services Contract and the GMA Services Agreement.

Upon motion by Commissioner Williams, seconded by Commissioner Dunlap, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize the CEO to execute the Contract for Debt Collection Services with BC Services and the BAA for same and the Services Agreement for Debt Collection with GMA and the BAA for same, copies of which are attached hereto.

REVIEW AND APPROVE WORK FOR HIRE AGREEMENT – CLEANING SERVICES WITH SPARK CLEAN FOR CLEANING SERVICES FOR DISTRICT FACILITIES

Mr. Hooten next presented to and reviewed with the Board the proposed Work For Hire Agreement with Spark Clean for cleaning services and the related BAA. Mr. Hooten reminded the Board that it previously accepted Spark Clean's proposal for cleaning services for District facilities. Ms. Adams stated that RBAP had reviewed the Work for Hire Agreement with Spark Clean.

Upon motion by Commissioner Williams, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize the CEO to execute the Work for Hire Agreement with Spark Clean and the BAA, copies of which are attached hereto.

REVIEW AND ACCEPT PROPOSAL FROM ZOLL MEDICAL CORPORATION ("ZOLL") FOR CASEREVIEW SUBSCRIPTION RENEWAL

Mr. Hooten then presented to and reviewed with the Board an executive summary and proposal from Zoll in connection with the five (5)-year renewal of Zoll's CaseReview for 43 Zoll X-Series monitors, copies of which are attached hereto. Mr. Hooten stated that the proposed total cost for the renewal was \$97,180.00 (or \$19,436.00 per year for 5 years).

Upon motion by Commissioner Dunlap, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposal from Zoll, approve the Master Application Service Provider Agreement (the "Zoll Agreement") for same, subject to Attorney review, and authorize the CEO to execute the Zoll Agreement.

CAO REPORT

Mr. Farmer next presented to and reviewed with the Board the monthly Administration Report, a copy of which is attached hereto. Mr. Farmer stated that the District then-currently had 263 employees with a 1.51% turnover rate. In response to a question from Commissioner Dunlap, Mr. Farmer stated that he would include the actual turnover numbers in future reports.

Mr. Farmer then reviewed with the Board: 1) Information Technology ("IT") updates; 2) fleet updates; and 3) risk and safety report. Mr. Farmer also reported that, to-date, the District's fleet had driven a total of 1,413,122 miles since September 2021.

COMPLIANCE REPORT

Ms. Conn then reviewed the monthly Compliance Manager's Report, a copy of which is included in the CAO's Report.

COMMUNITY OUTREACH AND COMMUNICATIONS REPORT AND STATUS OF CREATION OF NEW WEBSITE

Mr. Thomas then reviewed the monthly Community Outreach Report, a copy of which is included in the CAO's Report.

Mr. Thomas went on to report that the new District website recently went live and he continued to coordinate with 62 Digital to make the necessary updates and enhancements.

ADOPT ORDER DECLARING PROPERTY AS SURPLUS OR SALVAGE AND AUTHORIZING SALE OR DISPOSAL OF SAME ("SALVAGE PROPERTY ORDER")

Ms. Adams and Mr. Hooten next presented to and reviewed with the Board the Salvage Property Order the exhibit to same. Mr. Farmer stated that the District's IT staff finalized a summary of the District's IT salvage property and went on to review same with the Board. Mr. Farmer noted that all property was determined to have no value and thus was deemed salvage property. Ms. Adams noted that once the Salvage Property Order is adopted, the Board can authorize District staff to properly dispose of/discard the salvage property.

Upon motion by Commissioner Williams, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Salvage Property Order, thereby approving and authorizing the disposal of/discard the salvage property and authorizing District staff appointed by the CEO to dispose of/discard such salvage property in accordance with the applicable terms of Section 775.0735, Texas Health and Safety Code.

CHIEF CLINICAL OFFICER/OFFICE OF THE MEDICAL DIRECTOR REPORT

Mr. De La Rosa next presented to and reviewed with the Board the District's Clinical Operations Report for July 2022, including response times, patient treatments, statistics and related technology, a copy of which is attached hereto.

In response to a statement from Commissioner Williams, Mr. De La Rosa reported that both he and Dr. Patrick continuously monitor the status and level of care provided to District patients at the Level Two trauma centers. A discussion ensued regarding the merits of such trauma centers.

COO REPORT

The President then recognized Mr. Chebra, who presented to and reviewed with the Board the July 2022 Operations Report, a copy of which is attached hereto. A discussion ensued.

Mr. Chebra reported that in the previous month, the District: 1) operated its ambulances at 13,969 unit hours with 344 lost unit hours; 2) received 5,120 calls, which resulted in approximately 64% transports to hospitals; and 3) provided mutual aid 33 times and requested mutual aid 14 times. Mr. Chebra then reported that the District's overall response compliance was 90.9% for the month of July. Mr. Chebra noted that the average wall times during July for the respective hospitals were between 39 minutes and 48 minutes.

A discussion ensued regarding the District's use of the Opticom intersection preemption controller devices and related costs. Mr. Chebra stated that he would include the District's usage data in connection with the Opticom intersection preemption controller devices in future reports.

CHIEF FINANCIAL OFFICER ("CFO") REPORT

APPROVE PAYMENT OF BILLS AND ISSUANCE OF CHECKS, AND REVIEW INVESTMENT REPORT

AUTHORIZE LOAN PAYMENTS TO TRUSTMARK BANK, REGIONS CAPITAL ADVANTAGE ("REGIONS"), ZMFU, II/ZIONS BANCORPORATION ("ZMFU") AND SIGNATURE PUBLIC FUNDING CORP. ("SIGNATURE")

The President then recognized Mr. Hooten, who presented to and reviewed with the Board the summary of activity, profit and loss statement, a budget comparison, statement of cash flows, the debt service payment schedule, a list of checks and related invoices being presented for payment and the Investment Report, in the absence of a CFO, a copy of which is attached hereto. A discussion ensued.

Commissioner Plummer stated that she had a conflict of interest in connection with the JINCO invoice(s) and payment of same and would be abstaining from any discussion or action on such matter.

Upon motion by Commissioner Pinard, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve payment of the bills as submitted, with the exception of the JINCO payment which would be considered separately; 2) approve the Investment Report; and 3) authorize the necessary loan payments to Trustmark Bank, Regions, ZMFU and Signature.

Upon motion by Commissioner Pinard, seconded by Commissioner Dalton, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor with one (1) abstention by Commissioner Plummer, to authorize payment of the JINCO landscaping invoices.

REVIEW DRAFT BUDGET FOR FISCAL YEAR ENDING ("FYE") DECEMBER 31, 2023 (THE "2023 BUDGET")

Mr. Hooten next presented to the Board the proposed 2023 Budget, a copy of which is attached hereto. In response to a question, Ms. Adams then reminded the Board that the District is statutorily required to adopt its 2023 Budget prior to setting the 2022 tax rate.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector's Report for July 2022, a copy of which is attached hereto.

ATTORNEY'S REPORT, INCLUDING:

REVIEW RECENT PUBLIC INFORMATION ACT ("PIA") REQUESTS AND RESPONSES TO SAME

Ms. Garza then reported on the status of outstanding and recently received PIA request(s).

STATUS OF CYPRESS CREEK EMERGENCY MEDICAL SERVICES ("CCEMS") VS. THE DISTRICT, ET AL, (THE "CCEMS LITIGATION") AND RELATED LEGAL MATTERS AND TAKE NECESSARY ACTION ON SAME

Mr. Trachtenberg then reported on the CCEMS Litigation and CCEMS' bankruptcy proceedings, including recent bankruptcy hearings, the sale/auction of property by CCEMS and results of such auction. Mr. Trachtenberg reported that the CCEMS property and assets were purchased for \$8.1 million, and therefore, the District should receive payment in full for its outstanding unsecured claim of \$2.5 million in the CCEMS bankruptcy case.

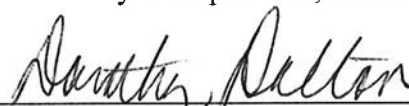
Mr. Trachtenberg went on to state that he has been in communication with the CCEMS Chief Restructuring Officer ("CRO") regarding CCEMS' receipt of Federal Emergency Management Agency ("FEMA") receivables in the approximate amount of \$380,000.00. Mr. Trachtenberg noted that the CRO anticipates that CCEMS will receive an additional \$40,000.00 to \$50,000.00 in FEMA receivables and agreed to provide the full amount of FEMA receivables actually received by CCEMS to the District, upon receipt of same.

REVIEW VARIOUS DISTRICT PERSONNEL MATTERS

There were no District personnel matters to be discussed.

There being no further business to come before the Board, the meeting was adjourned at 7:03 p.m.

PASSED, APPROVED AND ADOPTED this 27th day of September, 2022.


Secretary, Board of Commissioners

