

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

October 19, 2017

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 7111 Five Forks Drive, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Thursday, October 19, 2017, at 9:00 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; Chief Randall F. Parr of the Tomball Fire Department ("Tomball FD"); Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider; Ms. Cara Moreau, a student at the University of Houston; Mr. David Isaak of Smyser Kaplan & Veselka, L.L.P.; Mr. Michael Wynne of Hughes Arrell Kinchen LLP; Ms. Robin S. Bobbitt, attorney, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; In addition, the following representatives of the Cypress Creek Emergency Medical Services (the "CCEMS") were in attendance at the meeting: Mr. Dave Billings, member of the Board of Directors of the CCEMS; Mr. Brad England, Executive Director of the CCEMS; Mr. Toivo Sari, Information Technology Manager for the CCEMS; and Mr. Norm Uhl, Public Information Officer for the 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.

APPROVAL OF THE MINUTES

The Board first considered approval of the minutes of the regular meeting of September 21, 2017, previously distributed to the Board. 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 minutes of the regular meeting of September 21, 2017, as presented. Approval of the executive session minutes of September 21, 2017 was deferred.

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

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 September 2017 and the 2017 CCEMS budget comparison, copies of which are attached hereto. Mr. England went on to report that during the month of September there had been 2083 transports, five (5) Life Flight transports, and that 31% of the calls made during the month were "no transports." Mr. England went on to report that during the month of September, the CCEMS had received 13 mutual aid assists and had provided 19 mutual aid assists outside of the CCEMS's boundaries.

Mr. England next noted that CCEMS had recently solicited bids for medical supplies for the coming year.

Mr. England next reviewed with the Board the following CCEMS reports: 1) STEMI Report; 2) Stroke Report; and 3) Trauma Report. Copies of such reports are attached to the Executive Directors Report, which is an exhibit to these minutes.

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 CCEMS Operations and Financial Report and to approve the monthly CCEMS Operations payment in the amount of \$1,162,925 for the month of October.

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 proposed budget for the fiscal year ending ("FYE") December 31, 2018, the investment report and the checks being presented for payment at today's meeting, copies of which are attached hereto.

Mr. Russell next reported that during the prior month, the District had received \$15,664.72 in property tax revenue, \$7,197.89 in penalties and interest and \$973.38 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Compass Bank Operating Account.

Regarding the District's Construction, Financing and Cost Sharing Agreement for Station No. 55 ("Station 55") with Harris County Emergency Services District No. 29 ("ESD 29") dated December 19, 2007, Mr. Russell reported that the District is making its 14th annual loan payment to ESD 29 in the amount of \$62,898.82. Mr. Russell went on to report that he had recently received an amortization schedule from Trustmark Bank, which indicates that the Station No. 513 loan will be paid off in 2025.

Chief Parr entered the meeting at this time.

In response to a question from Commissioner Ripley, Ms. Bobbitt stated that, for future meetings, her office will provide the RBAP invoice to the Board on the Monday before the monthly meetings.

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

BUDGET COMMITTEE REPORT REGARDING REVIEW OF PROPOSED CCEMS BUDGET AND DISTRICT BUDGET FOR THE FYE DECEMBER 31, 2018

Ms. Bobbitt then reminded the Board that the District is required to adopt its annual budget prior to setting the 2017 tax rate.

Ms. Bobbitt next reminded the Board that they had previously appointed Commissioners Ripley and Pinard to the District's Budget Review Committee and such Committee was to meet with two (2) CCEMS Directors, Mr. England, Ms. Bobbitt and Mr. Russell to review and discuss CCEMS' draft budget for the FYE December 31, 2018, upon receipt of such document from Mr. England. Mr. England then presented to and reviewed with the Board the CCEMS' budget for the FYE December 31, 2018 that was provided to and discussed with the District's Budget Review Committee and adopted by CCEMS on October 25, 2017, a copy of which is attached hereto.

In response to a request from Commissioner Pinard to adopt the District's annual budget earlier next year, Mr. Russell stated that it is difficult for his office to prepare the District's annual budget prior to the District's receipt of the certified tax roll from the Harris County Appraisal District. Ms. Bobbitt suggested that the expense portion of the District's budget, as well as the CCEMS draft budget, could be prepared and reviewed earlier by the Budget Committee and the Board.

REVIEW AND APPROVAL OF DISTRICT BUDGET FOR THE FYE DECEMBER 31, 2018

Mr. Russell then presented to and reviewed with the Board the proposed District budget for the FYE December 31, 2018, a copy of which is attached to the Bookkeeper's Report. President Ripley then reported that he and Director Pinard had met with Messrs. Russell and England on several occasions since the September meeting to review and discuss both the District's proposed 2018 budget and the 2018 CCEMS budget. An extensive discussion ensued. Ms. Bobbitt reminded the Board that the District's budget can be amended at any time during the fiscal year. Upon motion by Commissioner Fetner, seconded by Commissioner Grundmeyer,

after full discussion and the question being put to the Board, the Board voted unanimously to adopt the District's budget for the FYE December 31, 2018, as presented.

Mr. Isaak entered the meeting at this time.

PUBLIC HEARING ON 2017 TAX RATE

Commissioner Ripley then opened the public hearing to discuss the District's proposed tax rate for 2017, notice of which was published in the Houston Chronicle on October 6, 2017, as required by law. Ms. Bobbitt reminded the Board that, at the regular meeting of September 21, 2017, the Board had agreed on a proposed total tax rate for 2017 of \$0.039040 per \$100 assessed valuation compared to a 2016 tax rate of \$0.03987 per \$100 assessed valuation. No one present in the meeting offered any public comment on the proposed 2017 tax rate. The public hearing was then adjourned.

ADOPTION OF ORDER SETTING RATE AND LEVYING TAX FOR 2017 ("TAX RATE ORDER")

Ms. Bobbitt then explained that the Notice of Effective Tax Rate for the proposed 2017 tax rate had been published in the Houston Chronicle, the Affidavit of Publication for which is attached hereto as an exhibit.

Ms. Bobbitt next presented for the Board's approval and adoption a Tax Rate Order regarding the levy of a total tax rate of \$0.039040 per \$100 of assessed valuation for operations and maintenance purposes, a copy of which is attached hereto. Ms. Bobbitt explained that due to GASB 34 accounting requirements, it is necessary to reflect in the minutes, at the time the Tax Rate Order is adopted, the applicable accounting period for the taxes being levied. Ms. Bobbitt explained that the operations and maintenance tax to be levied will be for the District's FYE December 31, 2018.

Upon motion by Commissioner Grundmeyer, seconded by Commissioner Fetner, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Tax Rate Order, thereby levying a total ad valorem tax rate of \$0.039040 per \$100 assessed valuation for operations and maintenance purposes for the District's FYE December 31, 2018.

AMENDED AND RESTATED ORDER DESIGNATING INVESTMENT OFFICER AND ESTABLISHING RULES, POLICIES, AND CODE OF ETHICS FOR THE INVESTMENT OF DISTRICT FUNDS AND REVIEW OF INVESTMENTS (THE "INVESTMENT POLICY")

Ms. Bobbitt then reviewed with the Board the proposed Amended and Restated Investment Policy, a copy of which is attached hereto. Ms. Bobbitt reported that her office has made the necessary revisions to the District's Investment Policy to comply with amendments made to the Public Funds Investment Act (the "PFIA") during the recent 85th Legislative Session. Ms. Bobbitt then reviewed with the Board the various amendments to the Investment Policy. Upon motion by Commissioner Fetner, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to approve and adopt the Amended and Restated Investment Policy.

Commissioner Pinard stated that, as the District's Treasurer, he plans to attend a future PFIA Seminar.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Bobbitt then reviewed with the Board the monthly Tax Assessor/Collector's Report for the month of September, a copy of which is attached hereto. Ms. Bobbitt reported that the Tax Assessor/Collector had collected \$8,443.59 of 2016 taxes in the previous month and that \$171,051.37 in 2016 taxes remain outstanding as of September 30, 2017.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

Commissioner Ripley next reported that he had conducted facility inspections of CCEMS Station Nos. 52 and 55 after the September Board meeting. Commissioner Ripley then stated that he is unable to conduct monthly facility inspections/tours after today's Board meeting.

Commissioner Fetner then reported on his recent "ride-along" with a crew from CCEMS Station No. 51.

Mr. Billings entered the meeting at this time.

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

There was nothing to report on this item at this time.

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

Ms. Bobbitt next reminded the Board that the Klein Volunteer Fire Department Fire Chief, Mr. Rich Jones, had attended the September Board meeting to inform the Board that there was a substantial amount of damage to at least 21 of the District's E-Views intersection preemption controller devices as a result of Hurricane Harvey.

Commissioner Fetner noted that the Board had previously authorized the submission of an insurance claim to VFIS, the District's insurance carrier, for damage to the District's E-Views intersection controller devices due to Hurricane Harvey. Commissioner Fetner went on to report that such claim has been filed and is currently being processed. Commissioner Fetner explained that the claims adjuster is coordinating with a consultant of Harris County (the "County"), Mr. Mike Taylor, to evaluate the condition of the damaged E-Views devices.

Ms. Bobbitt then reminded the Board that Chief Jones had previously stated that he plans to schedule a stakeholder meeting in the very near future with all of the representatives of affected E-Views intersection preemption controller devices to discuss options for their future replacement.

REVIEW, DISCUSS AND TAKE ACTION ON MISCELLANEOUS MEDIA MATTERS, INCLUDING UPDATE BY NRG MARKETING GROUP ("NRG") ON STATUS OF DISTRICT'S WEBSITE AND CREATION OF A DISTRICT LOGO

Mr. Johnson next reported on the status of the District's website, <http://www.esd11.com>. Mr. Johnson added that he is working with Commissioner Pinard to develop a District logo.

Mr. Sari entered the meeting at this time.

Mr. Johnson then made a presentation to the Board regarding branding for the District and more extensive development and updating of the District's website, a copy of which is attached hereto. An extensive discussion ensued regarding such matter. Mr. Johnson then presented to and reviewed with the Board a proposal for the updating website/branding campaign, a copy of which is attached hereto. Mr. Johnson stated that the cost for the District's updating website/branding campaign is \$4,945 per month for three (3) months. A brief discussed ensued. Upon motion by Commissioner Pinard, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to accept and approve the proposal from NRG for the District's new website/branding campaign subject to RBAP's receipt of a completed Form 1295 and Prohibition on Boycotting Israel Verification Form from NRG.

HEAR PRESENTATION REGARDING PROPOSED INTERLOCAL AGREEMENT FOR THE DEVELOPMENT AND DEPLOYMENT OF A CAD TO CAD INTEROPERABILITY DISPATCH LINKING PLATFORM (THE "INTERLOCAL AGREEMENT") AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Bobbitt next reminded the Board that they had previously reviewed the proposed Interlocal Agreement in connection with the City of Tomball's ("Tomball") plans to implement a CAD to CAD interoperability dispatch linking platform (the "CAD System"), a copy of which is attached hereto, but that Chief Parr had requested the opportunity to make a presentation to the Board on such matter since he was unable to attend last month's meeting. Chief Parr then made a presentation to the Board regarding the purpose of the Interlocal Agreement and the benefits of a CAD System in connection with mutual aid provided by CCEMS and the other participants in the proposed Interlocal Agreement. In response to a question, Chief Parr noted that Tomball is spearheading and implementing the new CAD System, but not participating at this time due to the fact that Tomball needs to replace its current, outdated CAD equipment. Chief Parr went on to state that, once Tomball has replaced its outdated CAD equipment, Tomball will be participating in the new CAD System.

In response to several questions from the Board, Ms. Bobbitt and Chief Parr then reviewed with the Board the District's proposed pro-rata share of the costs to develop, implement and maintain the CAD System above and beyond the current Urban Area Security Initiative ("UASI") Grant of \$210,526.32 that has been received for the capital costs of the CAD System. Ms. Bobbitt stated that based on information reflected in the draft Interlocal Agreement, the District's share of the development, implementation and maintenance costs is 29.54% of \$139,840.00 per year or \$43,229.60 per year. Ms. Bobbitt then stated that many of her firm's comments and concerns with the initial draft Interlocal Agreement for the new CAD System had

been addressed in the updated Interlocal Agreement draft she had received from Chief Parr subsequent to the Board's September meeting. Further discussion ensued. Mr. England then recommended that the Board reconsider the matter after the fire and EMS "User Advisory Board" meets to further evaluate and discuss the proposed CAD System, which should be within the next 30 days.

DISCUSS PROPOSED ESTABLISHMENT AND IMPLEMENTATION OF DISTRICT/BOARD GOALS FOR 2017 AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Ripley next reminded the Board that they had previously discussed the proposed establishment of goals for the District and Board for 2017, including: 1) engage in regular continuing education (i.e., attendance at the Safe-D Conference and/or online seminars); 2) increase Board representation/attendance at the monthly CCEMS meetings; and 3) regularly tour the District's EMS stations and other EMS facilities. Commissioner Ripley stated that he was still in the process of drafting a comprehensive "District Goals" document and that he would present same to the Board once a draft is completed.

ATTORNEY'S REPORT

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

CONSIDER ADOPTION OF DISTRICT POLICY CONCERNING REIMBURSEMENT TO COMMISSIONERS FOR LEGAL FEES INCURRED IN CONNECTION WITH REPRESENTATION ASSOCIATED WITH OFFICIAL COMMISSIONER DUTIES

Ms. Bobbitt next presented to and reviewed with the Board the proposed draft of the Resolution Adopting Policy Regarding Reimbursement of Private Defense Costs (the "Reimbursement Resolution"). Ms. Bobbitt explained that in response to the Board member's request, she had placed this item on today's agenda and that her office had prepared and transmitted to the Board prior to today's meeting a proposed Reimbursement Resolution for review and consideration, a copy of which is attached hereto. Ms. Bobbitt went on to review the proposed Reimbursement Resolution and explained that the Reimbursement Resolution sets forth a formal policy specifying the conditions under which the Board may elect to reimburse a Commissioner for his/her personal attorney fees and expenses incurred to defend against a criminal or civil proceeding. Ms. Bobbitt then summarized such conditions and noted that in order to be eligible for any such reimbursement, the following conditions must be met, including: 1) a Commissioner must not be found guilty of the alleged offense in a criminal case or alleged wrongdoing in a civil case; 2) the conduct must have occurred within the scope of the Commissioner's official duties on the District's behalf; and 3) the reimbursement expenditure must serve a legitimate public purpose and not be merely to further a Commissioner's own private interest. Ms. Bobbitt went on to review the proposed process/procedures for a Commissioner to seek reimbursement of defense costs, including the requirement to submit a written request to the Board for reimbursement, along with the appropriate documentation in the form of invoices and the requirement that the Board consider any such request in an open meeting and thereafter, adopt a resolution memorializing its findings that the request qualifies for reimbursement. Ms. Bobbitt noted that the Commissioner making a request may not participate

in the Board's discussion about the request or vote on the request, except as may be necessary to provide factual information about the request. Extensive discussion then ensued. The Board then requested that the Reimbursement Resolution be revised to allow reimbursement/payment of defense cost invoices on a rolling/go forward basis rather than at the conclusion of a criminal or civil proceeding. Ms. Bobbitt stated that she would make such revision, but emphasized the fact that should it be determined at any time that a Commissioner who received reimbursement for defense costs is not eligible to have received such reimbursement under the provisions of the Reimbursement Resolution, any defense costs previously reimbursed by the District to that Commissioner would have to be repaid to the District by that Commissioner. 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 adopt the Reimbursement Resolution, subject to certain revisions being made to the Reimbursement Resolution as discussed and identified by the Board.

Ms. Bobbitt stated that she will provide the Board with an updated draft of the Reimbursement Resolution once she has made the requested revisions.

CONFIRMATION OF ENGAGEMENT OF SMYSER KAPLAN & VESELKA, L.L.P. ("SKV") AND APPROVE PAYMENT OF RETAINER TO SAME

Ms. Bobbitt next reminded the Board that they had previously authorized Commissioners Ripley and Pinard to work with her office to conduct interviews to engage the services of outside counsel to assist her firm on certain legal matters related to the District. Ms. Bobbitt reported that, after interviewing several attorneys, Commissioner Ripley had informed her on October 5th that he desired to move forward with the engagement of SKV for representation of the District on certain legal matters related to the District.

Ms. Bobbitt then introduced Mr. Isaak of SKV to the Board and presented an engagement letter from SKV, which had previously been executed by President Ripley, for representation of the District in connection with certain legal matters. Upon motion by Commissioner Fetner, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to confirm the engagement of SKV as the District's outside counsel and authorize payment of a retainer to SKV in the amount of \$15,000.

Commissioner Ripley then introduced Mr. Wynne of Hughes Arrell Kinchen, LLP, who stated that he has been engaged to represent the Commissioners, as individuals, in connection with certain legal matters.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

There were no comments from the public at this time.

CONFIRM NEXT REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Bobbitt then reminded the Board that the next regular meeting is scheduled for Thursday, November 16, 2017, at 9:00 a.m.

Mr. England then requested that he be given the opportunity to address the Board in Executive Session. All meeting attendees, with the exception of all members of the Board present, Messrs. Isaak and England, Ms. Bobbitt and Ms. Christensen, exited the meeting at this time.

CONVENE IN EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071(2), Commissioner Ripley convened the Board in Executive Session at 10:26 a.m., to consult with the District's attorney and discuss and deliberate on certain matters concerning attorney-client privilege. The persons present in the executive session were Commissioners Ripley, Pinard, Plummer, Grundmeyer and Fetner, Messrs. England and Isaak, Ms. Bobbitt and Ms. Christensen.

After a brief discussion, Mr. England exited the Executive Session at 10:31 a.m. and the Board then met with Mr. Isaak and Ms. Bobbitt regarding certain matters concerning attorney-client privilege.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 10:50 a.m. at which time no action was taken by the Board.

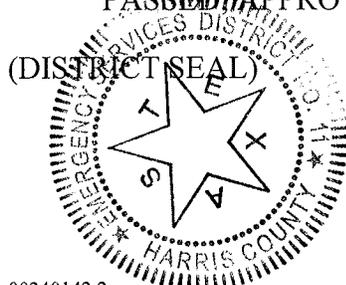
Mr. England re-entered the meeting at this time.

MISCELLANEOUS MATTERS

Commissioner Pinard then questioned Ms. Bobbitt about the additional discussion that occurred at today's meeting about the proposed CAD System. Ms. Bobbitt explained that Chief Parr had contacted her office after the September 21st meeting and asked to be on this month's agenda, since he was unaware that the proposed Interlocal Agreement and CAD System were going to be discussed at the September meeting and he was not able to attend such meeting. Ms. Bobbitt added that the draft agenda had included the CAD System item and clarified with the Board that no extensive additional work was done by her office on the updated Interlocal Agreement in connection with today's meeting, Director Pinard then requested that, in the future, the Board should review any and all matters before the District's attorney reviews or revises any contract. Ms. Bobbitt noted that the Board had been made aware of her office's review of the proposed Interlocal Agreement at the August meeting.

There being no further business to come before the Board, the meeting was adjourned at approximately 10:56 a.m.

~~PASSED~~ APPROVED AND ADOPTED this 16th day of November, 2017.



Food J. W. Dudley

Secretary, Board of Commissioners