

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

August 15, 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 Wednesday, August 15, 2018, at 6:30 p.m.; whereupon, the roll was called of the members of the Board, to-wit:

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|-----------------|---------------------------|
| Tommy Ripley | President |
| Karen Plummer | Vice President |
| Fred Grundmeyer | Secretary |
| Robert Pinard | Treasurer/Asst. Secretary |
| Kevin Brost | Asst. Treasurer |

All members of the Board were present, except Commissioner Grundmeyer, thus constituting a quorum. Also attending the meeting were: Messrs. Wayne Dolcefino and Kenny Breiger of Dolcefino Consulting ("Dolcefino"); Mr. Mike Pate, a member of the Board of Commissioners of Harris County Emergency Services District No. 16; Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider and public relations consultant; and Ms. Regina D. Adams and Ms. Monica Garza, attorneys, 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: Mr. Brad England, Executive Director of CCEMS; Mr. Wren Nealy, Assistant Executive Director of CCEMS; and Mr. Norm Uhl, Public Information Officer of 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.

The meeting was video recorded by Mr. Breiger for use by Dolcefino and by Mr. Uhl for use by CCEMS.

ELECTION OF OFFICER

Commissioner Ripley then opened the meeting to nominations for the election of officers of the Board. Ms. Adams recommended that the Board elect an Assistant Secretary to execute District documents in the case of any absence of the Board Secretary. Upon motion by Commissioner Plummer, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted unanimously to retain the current slate of officers and to appoint Commissioner Pinard to serve as the District's Treasurer and Assistant Secretary.

Commissioner Brost entered the meeting at this time.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD, INCLUDING VENDOR/CONTRACTOR INVOICING/PAYMENT REQUIREMENTS, AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Pinard reminded the Board that he previously presented a list of proposed policies and procedures for the District. It was the consensus of the Board to table discussion and action on this matter at this time.

APPROVAL OF THE MINUTES

The Board next considered approval of the minutes of the regular meeting of July 18, 2018, the special meeting of August 1, 2018 and the Certified Agenda from the Executive Session of July 18, 2018. 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 Brost, 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 18, 2018, as prepared, the minutes of the special meeting of August 1, 2018, as corrected, and the Certified Agenda from the Executive Session of July 18, 2018, as presented.

UPDATE ON STATUS OF TRANSITION TO NEW INTERSECTION PREEMPTION CONTROLLER DEVICES AND MASTER SALE OF GOODS AND SERVICES AGREEMENT (THE "PREEMPTION DEVICE AGREEMENT") BY AND BETWEEN THE DISTRICT, HARRIS COUNTY EMERGENCY SERVICES DISTRICT ("ESD") NOS. 7, 13, 16, 28 AND 29 AND GLOBAL TRAFFIC TECHNOLOGIES, LLC ("GTT") AND TAKE ANY NECESSARY ACTION ON SAME

Ms. Adams reminded the Board that she had previously presented to and reviewed with the Board the proposed Preemption Device Agreement by and between the District, ESD Nos. 7, 13, 16, 28 and 29 and GTT and her comments on same. Ms. Adams reported that she prepared, at the request of the Commissioners, certain clarifications and revisions to the Preemption Device Agreement, as previously discussed. Ms. Adams went on to report that most of the requested revisions were made to the Preemption Device Agreement, but her office has not yet

received a final version for the Board's execution. Ms. Adams noted that she had also requested, but has not yet received, a draft of the new Interlocal Agreement between Harris County (the "County") and the ESDs in connection with the deployment of the preemption controller devices. Mr. Pate explained that the County will not provide the Interlocal Agreement until such time as a vendor has been formally selected and the related Preemption Device Agreement is fully executed.

An extensive discussion ensued regarding the Preemption Device Agreement, including: 1) questions from the Board; 2) the leasing requirements for the equipment; and 3) the installation process and 4) the proposed terms of the Preemption Device Agreement. Commissioner Brost and Mr. Pate then answered numerous questions regarding the new GTT intersection preemption controller devices. Ms. Adams recommended that the District approve and authorize execution of the Preemption Device Agreement, subject to receipt of the final Preemption Device Agreement and the draft Interlocal Agreement from the County. In response to a question, Mr. Pate stated that the new traffic preemption controller devices will be the property of GTT and, therefore, GTT will be responsible for securing the appropriate insurance coverage for such property.

Upon motion by Commissioner Pinard, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Preemption Device Agreement, subject to receipt of same and the draft Interlocal Agreement with the County.

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 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 July 2018, and the 2018 CCEMS budget comparison, copies of which are attached hereto. Mr. England reported that during the month of July there were 2,235 transports, five (5) Life Flight transports, and that 26% of the calls made during the month were "no transports." Mr. England went on to report that during the month of July, CCEMS received 11 mutual aid assists and provided 20 mutual aid assists outside of CCEMS's boundaries.

Mr. England then reported that the four (4) ambulances (two (2) of which were funded by the District) are currently being striped and are expected to be in operation within the next 30 days.

Mr. England then reported that CCEMS continues to coordinate with the U.S. Army regarding the Clinical Fellowship Program (the "Fellowship"), which will resume in the near future. In response to a question, Mr. England stated that once a physician completes the Fellowship, they become a board certified physician.

Mr. Dolcefino entered the meeting at this time.

Mr. England then reported that CCEMS continues to coordinate with its department managers to finalize the CCEMS budget for fiscal year ending ("FYE") December 31, 2019. Mr. England noted that CCEMS will review and approve its budget at its September 27, 2018 Board meeting. Mr. England then reminded the Board that CCEMS will begin invoicing the District quarterly for the previously approved salary increases in September 2018.

Mr. England next reported that 2018 hurricane preparedness is currently underway by CCEMS.

Mr. England then reported that CCEMS continues to work with Martinez Architects on the construction of a supply building behind CCEMS Station No. 50. Mr. England noted that once supplies are transferred from CCEMS Station No. 50 to the supply building, the station will be converted into a two (2)-ambulance EMS station.

In response to a question, Mr. England stated that he will coordinate with the forensic auditor, HSSK, regarding its review of CCEMS records.

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 CCEMS Operations and Financial Report and authorize the CCEMS Operations payment in the amount of \$1,213,558.33 for the month of July.

AMEND BUDGET FOR FYE DECEMBER 31, 2018

The Board concurred that no amendments to the FYE December 31, 2018 budget are necessary at this time.

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 FYE December 31, 2018 budget, the investment report and the checks being presented for payment at the meeting, copies of which are attached hereto.

Mr. Russell reported that during the prior month, the District received \$35,953.32 in 2017 property tax revenue and \$1,265.55 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 Brost, Mr. Russell and Ms. Adams both stated that neither of their offices have record of receipt of the three (3) proposals obtained for the District's purchase of two (2) ambulances. Mr. England stated that he provided the ambulance proposals to the Board at the January 18, 2018 Board meeting but he does not know who took them from the meeting. Ms. Adams reminded the Board that Section 5.01(F) of the Contract for Providing Emergency Medical Services with CCEMS (the "Operations Contract") requires CCEMS to request preliminary Board approval at the bid solicitation stage for any capital expenditures exceeding \$25,000. Ms. Adams asked that copies of the proposals be located and provided to her office for the District's records.

Commissioner Brost next reminded Mr. England that, as discussed at the special Board meeting on August 1st, pursuant to Section 2.03(O) of the Operations Contract, CCEMS is required to prepare and provide the District with an inventory of all equipment acquired by the District (utilizing District funds) directly or through CCEMS. Commissioner Brost added that the inventory should include a depreciation schedule of the equipment values. Mr. Russell stated that he will coordinate with the District's auditor and CCEMS regarding preparation of the required inventory and related depreciation schedule.

Upon motion by Commissioner Brost, 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, authorize payment of the checks reflected therein and approve the July 2018 investment report.

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.

REVIEW PROPOSED CCEMS FYE DECEMBER 31, 2019 BUDGET FOR AND ADOPT DISTRICT FYE DECEMBER 31, 2019 BUDGET

Ms. Adams then reminded the Board that the District is required to adopt its annual budget prior to setting the 2018 tax rate. Mr. Russell presented to and reviewed with the Board the proposed District FYE December 31, 2019 budget based upon the revisions discussed at the August 1, 2018 Board meeting, a copy of which is attached hereto. A discussion ensued.

Upon motion by Commissioner Brost, seconded by Commissioner Plummer, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the District's FYE December 31, 2019 budget. In response to a question from Commissioner Plummer, Ms. Adams affirmed her office would research and determine outstanding loan payments required to pay off the District's debt in connection with Station No. 55 (Champions) and Station No. 513 (Spring).

Commissioner Pinard then inquired about attending an out-of-state emergency services conference on behalf of the District. A discussion ensued. The Board agreed to consider such matter at the next Board meeting, subject to receipt of additional details regarding the conference purpose and registration cost.

PRESENTATION FROM THE GMS GROUP, L.L.C. (THE "GMS GROUP") FOR PROVISION OF FINANCIAL ADVISORY/TAX RATE ANALYSIS SERVICES AND CONSIDER APPROVAL OF ENGAGEMENT LETTER FOR SAME

Ms. Adams asked the Board to table discussion on this matter, pending a presentation from Mr. John Howell of the GMS Group at the September 19th Board meeting and the Board tabled same.

DISCUSS PROPOSED 2018 TAX RATE, AUTHORIZE PUBLICATION OF EFFECTIVE TAX RATE CALCULATION AND ESTABLISH PUBLIC HEARING DATE REGARDING 2018 TAX RATE

Ms. Adams reported that the 2018 Certified Tax Roll has not yet been provided by Harris County Appraisal District but that she anticipates receipt of same by the end of August. The Board tabled this item pending receipt of the 2018 Certified Tax Roll.

TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Russell then reviewed with the Board the Tax Assessor/Collector Report for the month of July 2018, a copy of which is attached hereto.

STATUS OF RECONCILIATION/FORENSIC AUDIT REPORT FOR FYE DECEMBER 31, 2017 (DISTRICT FUNDING VS. CCEMS EXPENDITURES)

Commissioner Ripley reminded the Commissioners that they had previously approved and authorized execution of the proposals from HSSK and Counts|Thomson in connection with conducting forensic audits for the District. Commissioner Ripley reported that he recently received a draft legal opinion from Counts|Thomson in connection with CCEMS litigation history. Commissioner Ripley stated that he anticipates receipt of the final Counts|Thomson legal opinion prior to the September 19th Board meeting. Commissioner Pinard reported that he and Commissioner Brost continue to coordinate with HSSK in connection with the preparation of the forensic audit.

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

An extensive discussion ensued regarding posting District-related information on the District's website and the use of the website to answer frequently asked District-related questions. Mr. Johnson recommended that the Board consider developing and implementing a "Frequently Asked Questions" ("FAQ") page on the District's website in addition to posting various videos (i.e. "Meet the Board") in an effort for the Commissioners to better engage with and disseminate District-related information to District constituents. Commissioners Ripley and Brost agreed to begin: 1) coordinating with Mr. Johnson regarding development of "Meet the Board" videos and a FAQ page for posting on the District's website; and 2) holding PR committee meetings at least once a month with Mr. Johnson and Ms. Adams.

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

Mr. Johnson then reported on the status of the re-design of the District's website, <http://www.esd11.com>. A discussion ensued regarding certain updates that Mr. Johnson has made to the District's website. In response to a question from Mr. Johnson, Ms. Adams stated that she will review the election-related postings on the District website and confirm which postings can be removed from the website.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

Commissioner Ripley reported that no facility inspections were conducted after the July Board meeting and no facility inspections/tours would be conducted after the August 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.

REVIEW BOARD GOALS FOR 2018/2019 AND TAKE ANY NECESSARY ACTIONS ON SAME

There was no report on the Board's goals at this time.

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

Ms. Adams next reported that there had been one (1) PIA request received since the July Board meeting, such request being received from Mr. Zach Karrenbrock of Spring Happenings on July 30th for digital copies of all invoices, contracts and receipts from NRG. Ms. Adams stated that Mr. Karrenbrock also requested a waiver of charges for same, claiming that the release of NRG invoices, contracts and receipts is in the public interest and such information primarily benefits the general public under Section 552.267, Texas Government Code. Ms. Adams reported that her office provided the requested information to Mr. Karrenbrock on August 7, 2018. Ms. Adams added that it was determined that complying with Mr. Karrenbrock's request would result in a charge of \$3.60 if the waiver request is not granted. A discussion ensued.

Upon motion by Commissioner Plummer, seconded by Commissioner Pinard, after full discussion and the question being put to the Board, the Board voted three (3) votes in favor, and one (1) abstention, with Commissioner Brost abstaining, to declare that waiver or reduction of the charges for the PIA request is not in the public interest because providing a copy of such information does not primarily benefit the general public.

Ms. Adams next reminded the Board that Mr. Karrenbrock, who previously submitted a PIA request to the District on May 17th, submitted a cost complaint to the Texas Attorney General (the "AG") in connection with the fees assessed by the District to provide responsive information to his May 17th PIA request. Ms. Adams noted that her office has not yet received any correspondence from the AG's office with regard to such cost complaint, which would be the next step in the cost complaint process.

REVIEW DISTRICT PIA POLICY AND TAKE NECESSARY ACTIONS ON SAME

Ms. Adams next reminded the Board that it previously adopted a Resolution to Limit the Expenditure of Time and Uncompensated Resources When Responding to a PIA Request Pursuant to Texas Government Code Section 552.275 (the "PIA Resolution"). Ms. Adams also

reminded the Board that she had previously reviewed a draft outline of a proposed PIA policy for the District. In response to a request, Ms. Adams provided Commissioner Pinard with a copy of the current AG PIA Handbook for his review. A discussion ensued. Commissioner Pinard noted that he would like to further review the AG PIA Handbook before the District proceeds with adoption of a PIA policy.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

There were no 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 Wednesday, September 19, 2018, at 6:30 p.m.

There being no further business to come before the Board, the meeting was adjourned at approximately 7:48 p.m.

PASSED, APPROVED AND ADOPTED this 19th day of September, 2018.



Todd G. Underberg
Secretary, Board of Commissioners