

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

January 21, 2021

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 Thursday, January 21, 2021, at 9:00 a.m.; whereupon, the roll was called of the members of the Board, to-wit:

Karen Plummer	President
Steve Williams	Vice President
Fred Grundmeyer	Secretary
Robert Pinard	Treasurer/Asst. Secretary
Kevin Brost	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Mr. Douglas Hooten, Executive Director of the District; Mr. James Chebra, Chief Operations Officer of the District ("COO"); Mr. Rob Farmer, Chief Administrative Officer of the District ("CAO"); Ms. Shirley Ware, Executive Assistant of the District ("EA"); Ms. Chris Linn of Myrtle Cruz, Inc. ("MCI"), bookkeeper for the District; Mr. Ricardo Martinez of Martinez Architects; Ms. Regina D. Adams and Ms. Monica Garza, attorneys, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; Mr. Brian Trachtenberg and Ms. Anna Phillips (via teleconference) of Greathouse Holloway McFadden Trachtenberg, special counsel to the District; Mr. Zach Karrenbrock of 62 Digital, LLC ("62 Digital"), the District's website service provider and communications coordinator; Mr. Wren Nealy, Cypress Creek Emergency Medical Services ("CCEMS") Chief Executive Officer; Mr. Rene Johnson, CCEMS Comptroller; Mr. Enrique Lima, member of the CCEMS Board of Directors ("CCEMS Board"); Mr. Steven Beesley, CCEMS Interim Public Information Officer; Mr. George Vie of Feldman & Feldman, P.C., attorney for CCEMS; and numerous members of the public and CCEMS employees. A copy of the sign-in sheets are attached hereto.

There were numerous other members of the public in attendance via conference call but were unable to be identified other than by telephone number.

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 Mr. Beesley for use by CCEMS and 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

The President then recognized Mr. Shay McGarr, a resident of the District and President of the Gleannloch Farms Community Association, who congratulated the District on its transition to a self-operating model of emergency medical services ("EMS") and its recent real estate acquisition. Mr. McGarr noted that the perception in his neighborhood is that during the District's transition, there may be a gap in EMS coverage and/or a deterioration in the quality of EMS. Mr. McGarr went on to request that the Board be transparent and forthcoming with the public regarding the District's future plans for EMS.

There were no additional public comments at this time.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of December 17, 2020 and the minutes of the special meetings of December 7, 2020 and December 30, 2020. Upon motion by Commissioner Grundmeyer, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of December 17, 2020 and the minutes of the special meetings of December 7, 2020 and December 30, 2020, as presented, and the certified agendas for same.

STATUS OF TRANSITION TO NEW INTERSECTION PREEMPTION CONTROLLER DEVICES (THE "PREEMPTION DEVICES"), INCLUDING AUTHORIZE ADDITIONAL PAYMENTS RELATED TO SAME

Commissioner Brost reported on the status of the installation of the new preemption devices at the Harris County and Texas Department of Transportation intersections.

METROPOLITAN AREA EMS AUTHORITY D/B/A MEDSTAR CONSULTING ("MEDSTAR") REPORT AND STATUS OF PROCUREMENT OF TEXAS DEPARTMENT OF STATE HEALTH SERVICES ("DSHS") EMS PROVIDER LICENSE

Mr. Hooten reported that he continues to coordinate with MedStar and DSHS in connection with the preparation of the District's application to obtain a DSHS EMS Provider license as well as the District's employment of personnel.

EXECUTIVE DIRECTOR'S REPORT, INCLUDING:

STATUS OF INTERVIEWS AND OFFERS OF EMPLOYMENT, INCLUDING MIDDLE-MANAGEMENT POSITIONS, IT MANAGER, COMMUNICATIONS MANAGER AND OPERATIONS MANAGER

At this time, Mr. Hooten introduced to the Board: Mr. Chebra, the COO; Mr. Farmer, the CAO; and Ms. Ware, the EA.

Mr. Hooten then reported that the Chief Clinical Officer job description has been posted on the District's website.

STATUS OF ESTABLISHING THE NECESSARY VENDOR ACCOUNTS FOR DISTRICT ADMINISTRATION PURPOSES

Mr. Hooten then reminded the Board that, at the December 7th Board meeting, the Board authorized him to establish the necessary vendor accounts for District administration purposes. Mr. Hooten reported that he is coordinating with various vendors to establish accounts as well as the District's supply chain.

REVIEW PROPOSALS FOR EMPLOYEE INSURANCE, BENEFITS AND RETIREMENT PLANS AND TAKE NECESSARY ACTION ON SAME

Mr. Hooten then reported that he is coordinating with various qualified companies to obtain information and options/proposals for employee benefits/insurance plans. Mr. Hooten also reminded the Board that he has submitted an application for the District's participation in the Texas County and State Retirement System retirement plan.

AUTHORIZE OBTAINING DBA/ASSUMED NAME AND ESTABLISH SAME

Mr. Hooten next stated that the District will need to file for a DBA/assumed name for operational and provider license purposes. Mr. Hooten recommended utilizing "Harris County ESD 11 Mobile Healthcare" as the assumed name.

Upon a motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to authorize Mr. Hooten to coordinate with RBAP to file the District's DBA application with the assumed name "Harris County ESD 11 Mobile Healthcare."

AUTHORIZE ENROLLMENT AS A MEDICARE PROVIDER, AS NECESSARY

Mr. Hooten then stated that, in the near future, the District will need to enroll as a Medicare provider.

REVIEW AND APPROVE PURCHASE ORDERS FOR VEHICLES, SUPPLIES, FURNITURE, FIXTURES AND EQUIPMENT FOR THE DISTRICT AND AUTHORIZE PROCUREMENT OF FINANCING FOR SAME, AS NECESSARY

Mr. Hooten stated that he does not have any purchase orders for the Board's consideration at this time.

Mr. Hooten then reported that all of the chassis for the District's ambulances previously authorized for purchase by the Board have been ordered.

Mr. Hooten went on to report that he is currently working on acquiring the phone system as well as updated signage for the District's Administration Building. Mr. Hooten also stated that he is coordinating with Martinez Architects regarding Phase I of the redevelopment/remodel of the District's newly acquired property.

In response to a question, Mr. Hooten stated that the District's Chief Financial Officer ("CFO"), Mr. Dave Snavelly, will be tasked with preparing District pro formas. Mr. Hooten

noted that he anticipates providing same to the Commissioners at the February regular Board meeting.

STATUS OF SECOND PHASE OF SPECIAL DISTRICT EXAMINATION BY PANNELL KERR FORSTER OF TEXAS, P.C. ("PKF"), RELATED TO: A) RECONCILIATION OF DISTRICT FUNDING VS. CCEMS EXPENDITURES; B) PHYSICAL INVENTORY OF DISTRICT AND CCEMS ASSETS; AND C) CONCLUSIONS FROM HSSK, LLC REPORT (THE "PKF REPORT")

Ms. Adams then reminded the Board that they previously received the draft findings of the first phase of the PKF Report and subsequently authorized PKF to proceed with conducting the second phase of the special forensic examination.

Mr. Trachtenberg next reported that the second phase of the PKF Report will entail a more in-depth review of additional CCEMS financial documents and Koronis billing records to further identify discrepancies and quantify the related amounts of over and/or under payments by the District to CCEMS. Mr. Trachtenberg went on to state that PKF had made the initial request via January 14th correspondence to CCEMS through Mr. Vie, for access to additional financial records and received a response from Mr. Vie the evening prior to the Board meeting requesting clarification on PKF's request.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, CCEMS BILLING/COLLECTION PROCESSES AND PROCEDURES, STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO AND DISCUSS TRANSITIONAL MATTERS WITH CCEMS BOARD OF DIRECTORS

Commissioner Pinard noted that the Board received the CCEMS Operations and Financial Reports the evening prior to the Board meeting. Mr. Nealy noted that CCEMS had IT issues, but plans to provide future reports to the Board at least one (1) week prior to regular Board meetings.

Upon motion by Commissioner Brost, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to accept the CCEMS Operations and Financial Reports, subject to any questions/comments from the Commissioners.

In response to a question from Commissioner Brost regarding CCEMS' purchase of two (2) new ambulances, Mr. Nealy reported that CCEMS anticipates delivery of such ambulances by the end of February.

In response to a question from Commissioner Brost regarding the length of time Truck 81, which is owned by the District but utilized by CCEMS, had been out of service due to a bad engine, Mr. Nealy reported that Truck 81 should be back in service within two (2) weeks.

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

Ms. Linn then presented to and reviewed with the Board the Bookkeeper's Report, including the revenues and expenses of the District, the budget comparison, the investment report and the checks being presented for payment at the meeting, copies of which are attached hereto.

Ms. Linn reported that during the prior month, the District received \$7,405,496.05 in property tax revenue and \$307.62 in investment interest.

Ms. Linn stated that MCI is currently coordinating with Wells Fargo Bank regarding the recent, substantial monthly fee that was assessed against the District's money market account.

Upon motion by Commissioner Brost, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Bookkeeper's Report, as discussed; and 2) authorize payment of the bills as submitted, with the exception of the CCEMS operations payment for January 2021, which would be further considered later in the Board meeting.

AMEND BUDGET FOR FISCAL YEAR ENDING ("FYE") DECEMBER 31, 2021, IF NECESSARY

Ms. Linn then reported that she is coordinating with Commissioner Williams and Mr. Hooten regarding the necessary amendments to the District's budget for FYE December 31, 2021.

TAX ASSESSOR/COLLECTOR'S REPORT

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

RESOLUTION AUTHORIZING THE 20% PENALTY FOR COLLECTION COSTS ON DELINQUENT 2020 TAXES

Ms. Adams then explained that pursuant to Sections 6.30, 33.07, 33.08 and 33.11, Texas Tax Code, as amended, the District may levy an additional 20% penalty on 2020 real property taxes that remain delinquent as of July 1, 2021 and an additional 20% penalty on 2020 personal property taxes that remain delinquent as of April 1, 2021 to help defray the costs of collection, if the Board has entered into an agreement with an attorney for the collection of delinquent taxes and if adequate notice of such penalty is provided to property owners.

Upon motion by Commissioner Williams, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted four (4) votes in favor and one (1) vote in opposition, with Commissioner Pinard voting in opposition, to adopt the Resolution Authorizing the 20% Penalty for Collection Costs on Delinquent 2020 Taxes, a copy of which is attached hereto.

DISTRICT COMMUNICATIONS REPORT:

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

Mr. Karrenbrock then presented to and reviewed with the Board 62 Digital's monthly website and PR report, a copy of which is attached hereto.

ADMINISTRATION FACILITIES REPORT, INCLUDING:

REVIEW QUALIFICATIONS AND PROPOSAL FROM MARTINEZ ARCHITECTS FOR ARCHITECTURAL SERVICES IN CONNECTION WITH REMODEL/REDEVELOPMENT OF PROPERTY AND TAKE NECESSARY ACTIONS ON SAME

Mr. Martinez then presented to and reviewed with the Board a draft of the site plans depicting the preliminary proposed phasing of the remodel/redevelopment of the District's administration facilities property, a copy of which is attached hereto. A discussion ensued.

Mr. Martinez then reported that he recently provided a draft design agreement from Martinez Architects for the design of the remodel/redevelopment of the District's administration facilities property to RBAP for review and comments. A brief discussion ensued after which Ms. Adams stated that she will review same.

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposal from Martinez Architects for the design of the remodel/redevelopment of the District's administration facilities property and approve the agreement for same, subject to RBAP's review and comments.

AUTHORIZE SOLICITATION OF PROPOSALS FOR CONSTRUCTION MANAGER AT RISK

Mr. Martinez stated that Martinez Architects will next need to solicit a Request for Proposals ("RFP") for a construction manager at risk for the construction of the remodel/redevelopment of the District's administration facilities property.

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the publication of the RFP for a construction manager at risk for the construction of the remodel/redevelopment of the District's administration facilities property.

REVIEW MAINTENANCE AND REPAIR ITEMS FOR THE FACILITIES AND TAKE NECESSARY ACTIONS ON SAME

Ms. Adams then presented to the Board three (3) proposals from Klein Environmental Services, Inc. ("Klein Environmental") for the quarterly inspection and servicing of the aerobic wastewater systems at 18334 Stuebner Airline, 18338 Stuebner Airline and 18126 Stuebner Airline for two (2) years commencing January 15th, copies of which are attached hereto.

Mr. Hooten noted that he already executed the Klein Environmental proposals and submitted same.

Ms. Adams next presented to and reviewed with the Board the following proposals:

1. Nash Mechanical Contractors, Inc. ("Nash") – for air conditioning repairs in the amount of \$6,009.48, a copy of which is attached hereto;
2. Nash – for quarterly air conditioning maintenance in the amount of \$2,130, a copy of which is attached hereto; and
3. Bussell & Sons, LLC ("B&S") – for installation of a water softener at 18334 Stuebner Airline in the amount of \$3,250.

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposal from Nash for the air conditioning repairs (\$6,009.48) and from B&S for installation of a water softener (\$3,250), subject to receipt of completed Forms 1295.

DISCUSS AND AUTHORIZE PROCUREMENT OF IT INVENTORY AND INSTALLATION OF IT INFRASTRUCTURE

Mr. Hooten then presented to and reviewed with the Board a proposal from PARANET Solutions, LLC ("PARANET") for ongoing IT management services and security in the amount of \$2,488 per month, a copy of which is attached hereto.

Upon motion by Commissioner Williams, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to accept the proposal from PARANET for ongoing IT management services and security in the amount of \$2,488 per month, subject to receipt of a Service Agreement from PARANET and a completed Form 1295.

Commissioner Brost next reported that he, Commissioner Pinard and Mr. Hooten have had preliminary meetings with the chiefs of the fire departments located within the District in connection with future plans for dispatching and a communications center. An extensive discussion ensued. Commissioner Brost went on to report that he has also been coordinating with Harris County 911 regarding the transfer of District-related EMS calls to the District's future communications center.

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 authorize Commissioner Brost to submit an agenda item request, on behalf of the District, to Harris County 911 for consideration of transferring 911 EMS calls within the District's boundaries to the District's communication center, at the appropriate time.

Further discussion ensued regarding the District's proposed communications center and potential participation in same.

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

authorize Mr. Hooten to inform the chiefs of the fire departments and associated emergency services districts within the District's boundaries that the Board's intent is to construct a communications center for 911 District EMS calls and that the fire departments will have the option to participate, for a fee, in such communication center (with the possibility of allowing joint control/ownership in a future back-up 911 communications center within the District).

DISCUSS STATUS OF POTENTIAL ADDITIONAL STATION LOCATIONS AND PROCUREMENT OF ADDITIONAL AMBULANCES

There was no additional discussion on this matter at this time.

ATTORNEY'S REPORT:

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

Ms. Garza noted that three (3) PIA requests had been received since the December 17th Board meeting. Ms. Garza then reported on the status of such PIA requests, including responses to and requests for Texas Attorney General rulings on same.

ADOPT RESOLUTION ADOPTING POST ISSUANCE TAX-EXEMPT DEBT COMPLIANCE POLICY (THE "POLICY") AND APPOINT TAX COMPLIANCE OFFICER

Ms. Adams explained that the adoption of the Policy is required for compliance with certain provisions of the Internal Revenue Code as it relates to the issuance of tax-exempt debt by the District. Ms. Adams further reviewed the terms of the Policy with the Board. Ms. Adams stated that annual reviews of a tax compliance checklist would be performed with the Tax Compliance Officer and the arbitrage compliance consultant would perform periodic arbitrage and yield restriction calculations. Ms. Adams added that she would review the annual checklists with the Tax Compliance Officer upon finalization of each annual District audit.

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Policy, as presented, and appoint the District's CFO as the Tax Compliance Officer.

REVIEW DISTRICT CONSULTANT CONTRACTS AND TAKE NECESSARY ACTIONS ON SAME

There was no discussion on this matter at this time.

Ms. Linn exited the meeting at this time.

STATUS OF INTERVIEWS/OFFERS OF EMPLOYMENT OF MIDDLE MANAGEMENT POSITIONS, INCLUDING IT MANAGER, COMMUNICATIONS MANAGER AND OPERATIONS MANAGER

STATUS OF SECOND PHASE OF SPECIAL DISTRICT EXAMINATION BY PKF, RELATED TO THE PKF REPORT

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, CCEMS BILLING/COLLECTION PROCESSES AND PROCEDURES, STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO AND DISCUSS TRANSITIONAL MATTERS WITH CCEMS BOARD OF DIRECTORS

REVIEW MATTERS RELATED TO THE SERVICE AGREEMENT WITH CCEMS, INCLUDING STATUS OF CCEMS V. THE DISTRICT, ET AL, AND TAKE ANY NECESSARY ACTION ON SAME

Commissioner Plummer then stated that the Board would be going into Executive Session at this time to discuss matters of attorney-client privilege, pending or contemplated litigation and personnel matters pursuant to Sections 551.071 and 551.074, Texas Government Code regarding these agenda items.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg, Ms. Phillips (via teleconference) and Mr. Hooten exited the meeting at 10:17 a.m.

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Sections 551.071 and 551.074 regarding matters of attorney-client privilege, pending or contemplated litigation and personnel matters, Commissioner Plummer convened the Board in Executive Session at 10:25 a.m., to deliberate personnel matters, the PKF Report and CCEMS Litigation. The persons present in the Executive Session at various times were Commissioners Plummer, Williams, Pinard, Grundmeyer and Brost, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg, Ms. Phillips (via teleconference) and Mr. Hooten.

RECONVENE IN OPEN SESSION

All meeting attendees still present re-entered the meeting at 11:50 a.m.

Commissioner Plummer then reconvened the meeting in open session at approximately 11:55 a.m. at which time the following action was taken by the Board:

Upon motion by Commissioner Brost, seconded by Commissioner Williams, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the District's special counsel to proceed with necessary action pertaining to the CCEMS Litigation, as discussed in Executive Session.

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 authorize payment, under protest and duress, to CCEMS in the amount of \$1,325,000, which is 100% of the monthly payment requested by CCEMS for January 2021, subject to CCEMS' continued cooperation with PKF's inspection of CCEMS financial records and physical inventory and with the stipulation that future CCEMS monthly reports and invoices must be received by the Board at least one (1) week prior to the District's regular Board meeting or the Board will table any consideration of approval of CCEMS's report including authorization of payment of any CCEMS invoices.

There being no further business to come before the Board, the meeting was adjourned at 12:01 p.m.

PASSED, APPROVED AND ADOPTED this 25th day of February, 2021.


Secretary, Board of Commissioners

