

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

April 15, 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, April 15, 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: the following District employees: Mr. Douglas Hooten, Executive Director; Mr. James Chebra, Chief Operations Officer; Mr. Rob Farmer, Chief Administrative Officer; Mr. Dave Snavely, Chief Financial Officer; Ms. Shirley Ware, Executive Assistant; Ms. Dawn Stumbo, Human Resources ("HR") Assistant; Dr. Casey Patrick, Medical Director; and Mr. Xavier Delarosa, Chief Clinical Officer. District consultants in attendance were: Ms. Chris Linn of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson"), auditor for the District; Mr. Ricardo Martinez of Martinez Architects ("Martinez"); Mr. Conrad Hammond of J.E. Dunn Construction Company ("J.E. Dunn"); Mr. John Howell of The GMS Group, L.L.C. ("GMS"), financial advisor for the District (via teleconference); Ms. Regina D. Adams, Ms. Monica Garza and Ms. Sholeh Abedinzadeh (via teleconference), attorneys, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorney for the District; Mr. Brian Trachtenberg and Ms. Anna Phillips of Greathouse Holloway McFadden Trachtenberg, special counsel to the District; and Mr. Zach Karrenbrock of 62 Digital, LLC ("62 Digital"), the District's website service provider and communications coordinator. Also in attendance were: Mr. Wren Nealy, Cypress Creek Emergency Medical Services ("CCEMS") Chief Executive Officer; Mr. George Vie of Feldman & Feldman, P.C., attorney for CCEMS; and members of the public and CCEMS employees. A copy of the sign-in sheets are attached hereto.

There were 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 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.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of March 18, 2021 and the special meeting of March 4, 2021. 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 approve the minutes of the regular meeting of March 18, 2021 and the special meeting of March 4, 2021, as presented, and the certified agendas for same.

REVIEW AND APPROVE ANNUAL AUDIT REPORT FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2020 (THE "AUDIT") AND AUTHORIZE NECESSARY FILINGS OF SAME

Mr. Ellis next reviewed with the Board the District's draft Audit and management letter, 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 Williams, seconded by Commissioner Brost, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Audit, subject to a 21-day review period, and authorize the filing of same with all required governmental entities/agencies, including the Clerk of the Harris County (the "County") Commissioner's Court.

Commissioner Pinard entered the meeting at this time.

STATUS OF PROCUREMENT OF FINANCING FOR AMBULANCE AND APPURTENANCES PURCHASE(S) AND TAKE NECESSARY ACTIONS ON SAME

Mr. Howell then presented to and reviewed with the Board the District's proposed, combined debt service schedule, including the anticipated loan financings for the purchase and build-out of District ambulances as well as current District loans' principal and interest payments, and a financing term sheet for the proposed ambulance loan financing, copies of which are attached hereto. Mr. Howell reported that he intends to send credit packages to banks after the meeting and anticipates to receive loan financing proposals on May 5th.

Ms. Adams then presented to and reviewed with the Board the proposed Addendum to GMS' Agreement for Financial Advisory Services dated April 15, 2021. Ms. Adams stated that the addendum is for the financial advisory services for the proposed issuance of debt in connection with the purchase and build-out of ambulances. 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 approve and authorize execution of the Addendum to GMS' Agreement for

Financial Advisory Services, a copy of which is attached hereto.

Ms. Adams then explained that the Municipal Securities Rulemaking Board ("MSRB") requires the District's financial advisor to disclose its role in connection with the District's proposed financing. 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 acknowledge the MSRB Rule G-23 disclosure letter, a copy of which is attached hereto.

ADMINISTRATION, DISPATCH AND LOGISTICS FACILITIES REPORT, INCLUDING:

STATUS OF CONSTRUCTION OF PHASE I REDEVELOPMENT OF DISTRICT ADMINISTRATION PROPERTY ("PHASE I PROJECT") AND TAKE NECESSARY ACTION ON SAME

Mr. Hooten reported that the construction committee met the week prior with Mr. Martinez and J.E. Dunn representatives. Mr. Hooten stated that construction on the Phase I Project has commenced and Martinez is proceeding with design of Phase II.

Ms. Adams then reminded the Board that it previously awarded the Construction Manager at Risk ("CMAR") Service Contract for the Phase I Project and Amendment No. 1 to same to J.E. Dunn, subject to final review of same by RBAP. Ms. Adams stated that the CMAR Service Contract and Amendment No. 1 had been executed. Ms. Adams noted that RBAP is currently reviewing Amendment No. 2 to the CMAR Service Contract.

REVIEW GROSS MAXIMUM PRICE ("GMP") AMENDMENT FOR CONSTRUCTION OF PHASE I PROJECT FROM J.E. DUNN AND TAKE NECESSARY ACTION ON SAME

Mr. Martinez went on to report that GMP bids were received on April 6th and presented a summary of the bid tabulation to the Board, a copy of which is attached hereto. A discussion ensued. Mr. Martinez stated that the GMP components for the Phase I Project is \$15,748,842.

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 approve Amendment No. 2 to the CMAR Service Contract for the GMP amount of \$15,748,842, subject to final review of same by RBAP.

REVIEW MAINTENANCE AND REPAIR ITEMS FOR DISTRICT FACILITIES AND TAKE NECESSARY ACTIONS ON SAME, IF ANY

Mr. Hooten reported that there are no maintenance or repair items to consider at this time.

STATUS OF PROCUREMENT OF IT INVENTORY AND INFRASTRUCTURE

Mr. Hooten then reminded the Board that at the January 21st Board meeting, it accepted the proposal from Paranet Solutions, LLC ("Paranet") for ongoing IT management services and security. Mr. Hooten reported that he and the District's executive staff are currently coordinating with Paranet and Martinez regarding the plans for the District Communications Center and equipment necessary 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 County and Texas Department of Transportation intersections. Commissioner Brost stated that Phases 1 and 2 of the preemption device installation project are complete and Phase 3 is in progress.

EXECUTIVE DIRECTOR'S AND DISTRICT ADMINISTRATION REPORT, INCLUDING STATUS OF HIRING FOR VARIOUS OPEN EMPLOYMENT POSITIONS

Mr. Hooten then reported that he and the District's Executive staff continue to conduct interviews for the middle-management and other various staff positions. Mr. Hooten stated that the District's Human Resources, Information Technology, Geographic Information System and Communications managers have been hired and there is an offer outstanding for the District's Operations Manager position.

Mr. Hooten next reported that the ADP portal has been created and is anticipated to open on Monday to accept applications from persons interested in applying for jobs with the District.

Mr. Hooten then reported that the District has released its second (2nd) podcast regarding the District's emergency medical services ("EMS") operational model. Mr. Hooten noted that the District's podcasts are available on the District's website. Mr. Hooten also reported that he continues to meet with a number of residents from the community regarding the District's current and future plans and the transition from CCEMS to the District's self-operating model.

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 coordinated with various vendors and established the majority of necessary District accounts, and continues to establish District accounts, as necessary.

STATUS OF ENROLLMENT AS A MEDICARE PROVIDER, AS NECESSARY

Mr. Hooten then stated that the District received its Texas Department of State Health Services ("DSHS") EMS Provider license and the District applied to enroll as a Medicare provider. Mr. Hooten reported that the District should receive its application approval by June or July 2021.

STATUS OF APPLICATION FOR MEMBERSHIP IN SOUTHEAST TEXAS REGIONAL ADVISORY COUNCIL ("SETRAC")

Mr. Hooten reported that the District's SETRAC membership application has been accepted and the District is now a member of SETRAC.

REVIEW AND APPROVE FORM OF FIRST RESPONDER ORGANIZATION ("FRO") AND PROVIDER AGREEMENT FOR USE WITH OVERLAPPING FROS

Ms. Adams then presented to and reviewed with the Board a draft of the form of the FRO and Provider Agreement. Ms. Adams noted that her office has reviewed and revised the original form of such agreement but noted that additional revisions will be necessary. Mr. Hooten reported that the form FRO and Provider Agreement has been provided to the FROs for review and comments.

STATUS OF PROCUREMENT OF PROPOSALS FOR COMPREHENSIVE RECORDS MANAGEMENT SYSTEM/SOFTWARE AND RELATED SERVICES

Mr. Hooten then reminded the Commissioners that they previously authorized District staff to advertise for bids from qualified vendors for comprehensive records management system/software and related services for the purpose of the District's incident reporting. Mr. Hooten stated that the District received four (4) bids for the District's comprehensive records management system/software and related services for incident reporting. Mr. Hooten stated that he plans to present the bid tabulation to the Board at the next Board meeting for review and award of the contract.

STATUS OF ESTABLISHING DISPATCH SERVICES AND COMMUNICATIONS WITH OTHER EMERGENCY SERVICES PROVIDERS REGARDING SAME

Mr. Hooten next reported that the District staff continues to work on obtaining the necessary technology and related service agreements for the District's dispatching and communications center. Mr. Hooten stated that he anticipates that the District's dispatching and communication center will be fully operational by September 2021. Mr. Hooten noted that the fire departments located within the District have decided to proceed with operating their own dispatching and communications center.

REVIEW AND APPROVE PURCHASE ORDERS AND AGREEMENTS FOR VEHICLES, SUPPLIES, FURNITURE, FIXTURES AND EQUIPMENT AND SERVICES FOR THE DISTRICT, INCLUDING PURCHASE AGREEMENT WITH PEDIATRIC EMERGENCY STANDARDS, INC. ("PES") FOR HANDTEVY PEDIATRIC SYSTEM ("HANDTEVY")

Mr. Hooten then presented to and reviewed with the Board a purchase order and proposal from Boundtree Medical, obtained through the District's Interlocal Purchasing Cooperative Agreement with the City of Midlothian, in connection with the purchase of video laryngoscopes and related equipment for a cost of \$87,586.40, copies of which are attached hereto. A discussion ensued.

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 purchase order and proposal from Boundtree Medical and authorize payment in the amount of \$87,586.40 to Boundtree Medical for such purchase.

Mr. Hooten then presented to and reviewed with the Board a purchase order and proposal from Laerdal, obtained through the BuyBoard purchasing cooperative, in connection with the

purchase of training equipment (i.e., mannequins) and related accessories for a cost of \$11,575.03, copies of which are attached hereto. A discussion ensued.

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 approve the purchase order and proposal from Laerdal for such purchase and authorized payment in the amount of \$11,575.03 for the purchase of same.

Mr. Hooten then presented to and reviewed with the Board a purchase order, proposal and Purchase Agreement from PES, a sole source provider, for the District's purchase of Handtevy pediatric medical products, copies of which are attached hereto. Mr. Hooten stated that the cost for such purchase is \$28,801.00 with an annual recurring cost of \$3,995.

Ms. Adams next reported that her office has reviewed the terms and conditions to the Purchase Agreement with PES, but is awaiting receipt of the other documentation referenced in the Purchase Agreement. A discussion ensued.

Upon motion by Commissioner Williams, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the Purchase Agreement and related Addendum with PES and authorize the purchase from PES of the Handtevy for \$28,801.00 with an annual recurring cost of \$3,995, subject to RBAP's final review of all documentation referenced in the Purchase Agreement and receipt of a completed Form 1295 from PES.

Mr. Hooten then presented to and reviewed with the Board a purchase order and proposal from Life-Assist, obtained through the District's Interlocal Purchasing Cooperative Agreement with the City of Midlothian, in connection with the purchase of 60 PAX Wasserkuppe L/PAX Bogs and related accessories for a cost of \$22,067.40, copies of which are attached hereto. A discussion ensued.

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 approve the purchase order and proposal from Life-Assist for such purchase and authorized payment in the amount of \$22,067.40 for of same.

STATUS OF SECOND PHASE OF SPECIAL DISTRICT EXAMINATION BY PANELL 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 it previously received the draft findings of the first (1st) phase of the PKF Report and subsequently authorized PKF to proceed with conducting the second (2nd) phase of the special forensic examination.

Mr. Trachtenberg next reported that the second (2nd) 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 has made the initial requests

to CCEMS, through correspondence to Mr. Vie, for access to additional financial records. Mr. Trachtenberg reported that CCEMS uploaded some additional responsive information the afternoon prior to the Board meeting, but PKF is awaiting receipt of the significant balance of requested information.

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

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

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

Commissioner Plummer then stated that the Board would be going into Executive Session to discuss matters of attorney-client privilege and pending litigation pursuant to Section 551.071, Texas Government Code regarding the above agenda items.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza, Ms. Abedinzadeh (via teleconference), Ms. Christensen, Mr. Trachtenberg, Ms. Phillips and Mr. Hooten exited the meeting at 9:57 a.m.

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Section 551.071 regarding matters of attorney-client privilege and pending litigation, Commissioner Plummer convened the Board in Executive Session at 10:03 a.m. The persons present in the Executive Session at various times were Commissioners Plummer, Williams, Pinard, Grundmeyer and Brost, Ms. Adams, Ms. Garza, Ms. Abedinzadeh (via teleconference), Ms. Christensen, Mr. Trachtenberg, Ms. Phillips and Mr. Hooten.

RECONVENE IN OPEN SESSION

All meeting attendees still present re-entered the meeting at 11:06 a.m.

Commissioner Plummer then reconvened the meeting in open session at approximately 11:07 a.m. at which time no action was taken by the Board.

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

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 \$133,270.34 and \$141,751.61 in property tax revenue and \$971.98 in investment interest.

Upon motion by Commissioner Williams, 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 April 2021, which would be considered under a separate motion.

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 authorize payment to CCEMS in the amount of \$1,359,283 for services provided in April 2021, under protest and duress and subject to: 1) future adjustments upon the District's receipt of information and data from CCEMS sufficient to establish CCEMS' entitlement to such amounts at least seven (7) days in advance of the next regular Board meeting; and 2) CCEMS' continued cooperation with PKF's inspection of CCEMS' financial records and physical inventory.

REVIEW AND DISCUSS FINANCIAL AND OPERATIONAL MATTERS RELATED TO CCEMS, INCLUDING: MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS; QUARTERLY CCEMS REPORT PURSUANT TO SECTION 5.02 OF THE SERVICE AGREEMENT; STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO; AND DISCUSS TRANSITIONAL MATTERS

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, Mr. Nealy stated that the 'unit hour report' included in this month's CCEMS Operations Report for January-March 2021 was actually an 'out of service' report. Mr. Hooten stated that a 'lost unit hour(s)' report, with details of why an ambulance was out of service, would be more useful than an 'out of service' report.

In response to question from Commissioner Brost regarding the Board's receipt of information regarding the amount of funding that CCEMS received for its service at The Woodlands Marathon, Mr. Nealy stated that he will provide such information to RBAP later in the day.

Commissioner Brost then requested a report on the deployment of District assets, such as ambulances, to work at the Ironman triathlon held on April 11, 2021 in Galveston. Mr. Nealy stated that CCEMS utilized one (1) ambulance that was not servicing the District at that time for the Ironman triathlon in Galveston. Mr. Nealy agreed to research and confirm that all peak ambulances were in service within the District's boundaries during the Ironman triathlon.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector's Report for March, 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.

Mr. Hooten then recommended that the Board authorize reinstatement of the District's Facebook and LinkedIn social media accounts for District recruitment purposes. Upon motion by Commissioner Williams, seconded by Commissioner Grundmeyer, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the reinstatement of the District's Facebook and LinkedIn social media accounts for District recruitment purposes.

ATTORNEY'S REPORT:

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

Ms. Garza noted that no PIA requests were received since the March 18th Board meeting. Ms. Garza then reported on the status of the outstanding PIA requests, including responses to and requests for Texas Attorney General rulings on same.

REVIEW DISTRICT CONSULTANT CONTRACTS AND TAKE NECESSARY ACTIONS ON SAME

There was no discussion on this matter at this time.

There being no further business to come before the Board, the meeting was adjourned at 11:33 a.m.

PASSED, APPROVED AND ADOPTED this 20th day of May 2021.




Secretary, Board of Commissioners