

MINUTES OF MEETING OF THE  
BOARD OF COMMISSIONERS

June 9, 2020

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 special session, open to the public, at the Bridgestone Municipal Utility District Operations and Water Education Center (the "Bridgestone Administrative Building"), 19720 Kuykendahl Road, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Tuesday, June 9, 2020, 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: 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 of Greathouse Holloway McFadden Trachtenberg ("Greathouse"); Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC ("McCall Gibson"), auditors for the District; Mr. Wren Nealy, Cypress Creek Emergency Medical Services ("CCEMS") Chief Operating Officer; Chief Fred Windisch of the Ponderosa Fire Department; Chief Richard Lieder of the Cypress Creek Fire Department; Mr. Glenn Henning, President of the CCEMS Board of Directors; Mr. Dave Billings, member of the CCEMS Board of Directors; Ms. Alison Sulentic of Sulentic Law Firm, PLLC, attorney for CCEMS; Mr. Norm Uhl, CCEMS Public Information Officer; Mr. Rene Johnson, CCEMS Controller; Ms. Adriana Rezal, reporter for the Community Impact newspaper; and numerous members of the public. A copy of the sign-in sheets are attached hereto.

WHEREUPON, the meeting was called to order by the President and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

This meeting was video recorded by Mr. Uhl for use by CCEMS.

The President then stated that the purpose of the special meeting was to discuss matters related to the Service Agreement with CCEMS, including District and CCEMS assets, CCEMS debt and security for same and CCEMS administration/management and to begin the review of

the Statements of Qualifications ("SOQ") received for emergency medical services ("EMS"). The President went on to state that the purpose of the meeting was not to terminate the District's Service Agreement with CCEMS. Commissioner Plummer then stated her personal feelings regarding the CCEMS field staff.

### PUBLIC COMMENTS

The President then recognized Chief Windisch, who read a statement to the Board, a copy of which is attached hereto. Chief Windisch stated that the District needs to work with CCEMS for the citizens of the community and to maintain CCEMS as the District's EMS provider. Chief Windisch also discouraged the District from replacing CCEMS with a for-profit EMS provider. Chief Windisch went on to state that, if the District hires a for-profit EMS service provider, the area fire departments will most likely eliminate first responder services.

The President next recognized Mr. Al Rendl, a resident of the District, who expressed his support for CCEMS and stated that although he has not used CCEMS' services, he is very concerned with the District replacing CCEMS with another EMS service provider.

The President next recognized Ms. Sue Stewart, a resident of the District, who expressed her support for CCEMS.

The President then recognized Mr. Carl Schwenker, a resident of the District, who expressed his support for CCEMS and stated the District should not terminate its Service Agreement with CCEMS.

The President next recognized Mr. Jeff Doran, a resident of the District, who expressed his support for CCEMS and stated that CCEMS' level of service is excellent. Mr. Doran asked that the District stay the course with its current EMS provider, CCEMS.

The President next recognized Ms. Tiffany Howard, a resident of the District, who expressed her support for CCEMS and stated that the District will most likely not be able to obtain another EMS service provider, particularly a for-profit EMS provider, with better transparency than that of CCEMS.

Commissioner Brost then stated that the District's decision to request SOQs from EMS service providers is the result of years of issues/transparency problems that the District has had with CCEMS and its former Executive Director. Commissioner Brost stated that, over the last few years, the Board has repeatedly requested information/documentation from CCEMS and its former Executive Director detailing how the District's funding (\$15 million+ each year) to CCEMS has been utilized and CCEMS and its former Executive Director have repeatedly disregarded such requests until very recently. Commissioner Brost noted that the District has a fiduciary duty to the taxpayers of the District to be responsible stewards of taxpayer dollars and, therefore, the District decided to explore the District's service options. Commissioner Brost went on to state that the top priority for the Board is placing additional ambulances in operation in an effort to meet the increasing EMS demand and reduce high response times. Commissioner Brost also stated that the Board has repeatedly expressed its concerns with CCEMS' high response times and even demanded that CCEMS improve such response times as well as place additional ambulances in service, all to no avail.

Commissioner Grundmeyer next stated that he is in favor of continuing to work with CCEMS to develop a strategic plan.

There were no additional public comments at this time.

REVIEW MATTERS RELATED TO SERVICE AGREEMENT WITH CCEMS, INCLUDING DISTRICT AND CCEMS ASSETS, CCEMS DEBT AND SECURITY FOR SAME AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Adams then reminded the Board that Mr. Mike Burcham of Svdlenak, See & Co., PC, auditors for CCEMS (the "CCEMS auditor"), previously presented to and reviewed with the Board the CCEMS audit for fiscal year ended ("FYE") Decembers 31, 2019 (with updates to the audit for FYE December 31, 2018) (the "CCEMS Audit") to which the board had several revisions and concerns.

Mr. Ellis next reported that he met with Messrs. Burcham and Johnson the previous day to discuss the necessary revisions to the CCEMS audit, as previously discussed, and in accordance with the District's list of purchased equipment and vehicles/ambulances. Mr. Ellis then reviewed with the Board the District's updated list of purchased equipment and vehicles/ambulances, a copy of which is attached hereto. Mr. Ellis stated that he is in the process of revising the District's audit for FYE December 31, 2019 to reflect such list. In response to a question from Commissioner Brost, Mr. Ellis agreed that approximately \$1.5 million of the District's assets (i.e. purchased ambulances and equipment) was also previously included on CCEMS' list of assets. A discussion ensued.

Commissioners Brost and Pinard reiterated that the Board has complete faith in the CCEMS communication center staff, paramedics and the field staff, but has had repeated issues with the CCEMS administration and management.

Ms. Adams and Mr. Johnson then presented to and reviewed with the Board correspondence and documentation from CCEMS and the CCEMS auditor in response to the letter from RBAP (on behalf of the District) dated May 26, 2020, requesting certain information/documents related to the CCEMS Audit, copies of which are attached hereto. Mr. Johnson stated that the CCEMS auditor is in the process of revising the CCEMS Audit, as requested by the Board. A discussion ensued regarding the inventory list to be prepared by CCEMS. In response to a statement from Mr. Johnson, Ms. Adams stated that that Section 2.03(O) of the Service Agreement between the District and CCEMS requires CCEMS to prepare and provide the District with an inventory of all equipment acquired by the District, directly or through CCEMS, utilizing District funds.

An extensive discussion ensued regarding the substantial amount of funds spent on insurance for CCEMS employees and their dependents, CCEMS' assets and the District's assets (including equipment and vehicles/ambulances), whether CCEMS utilized District assets (purchased equipment and vehicles) as collateral for various loans and the status of any surplus property, including District vehicles/ambulances, sold by CCEMS.

Commissioners Brost and Pinard then expressed their frustration with CCEMS since the District has never been involved in or even consulted by CCEMS when making decisions related

to the CCEMS employee insurance even though the District provides the majority of the funding for such insurance.

Further discussion ensued regarding CCEMS' assets and the District's assets (including equipment and vehicles/ambulances). In an effort to reduce future problems regarding the District assets, Mr. Ellis recommended that the title for all District-purchased ambulances/vehicles be transferred from CCEMS to the District and that any future ambulance/vehicle purchased in whole or in part with District funds also be titled in the name of the District.

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 CCEMS to transfer the titles for all ambulances/vehicles purchased in whole or in part with District funds to the District as soon as practicable.

A discussion then ensued regarding the District's share of health insurance costs for CCEMS employees as well as CCEMS' process for obtaining insurance bids. Commissioner Brost requested that Mr. Nealy provide the Board with all of the back-up documentation in connection with CCEMS' most recent procurement of insurance proposals.

Further discussion ensued regarding CCEMS' responses to the letter from RBAP (on behalf of the District) dated May 26, 2020, requesting certain information/documents related to the CCEMS Audit. Mr. Johnson stated that he believes that CCEMS has responded to all requests in such letter. Ms. Adams and Mr. Trachtenberg stated that CCEMS still needs to provide the District with certain loan security agreements and other loan documentation related to the long-term debt footnotes listed on page 12 of the CCEMS Audit because what has been provided is piece-meal and incomplete.

The Board asked Ms. Adams to review any legal matters pertaining to the Service Agreement in Executive Session.

#### REVIEW SOQs RECEIVED FOR EMS AND TAKE NECESSARY ACTION ON SAME

Ms. Adams reported that the District's Request for Qualifications from EMS provider was published on March 30<sup>th</sup> and the deadline to receive SOQs from EMS providers was June 1<sup>st</sup>. Ms. Adams reminded the Board that her office received SOQs from the following nine (9) entities: 1) American Medical Response Ambulance Service, Inc.; 2) Falck USA; 3) PatientCare EMS Solutions; 4) City Ambulance Services; 5) Acute Medical Services; 6) Harris County Emergency Corps; 7) Acadian Ambulance Service; 8) Montgomery County Hospital District EMS; and 9) Allegiance Mobile Health. Ms. Adams stated that the SOQs were provided to the Commissioners the week prior (along with an evaluation form) and copies of same can be located in the District's files. A discussion ensued regarding scheduling a special meeting to further review and discuss the SOQs received. It was the consensus of the Board to schedule a special meeting for 9:00 a.m. on Tuesday, June 23<sup>rd</sup> at the Bridgestone Administration Building.

Further discussion ensued regarding the disposition of District assets by CCEMS. Mr. Johnson stated that no District assets (including ambulances/vehicles) have been sold or otherwise disposed of by CCEMS since 2015.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza, Ms. Christensen and Mr. Trachtenberg exited the meeting at 10:20 a.m.

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, regarding matters of attorney-client privilege, Commissioner Plummer convened the Board in Executive Session at 10:32 a.m., to consult with the District's attorney regarding legal matters pertaining to the Service Agreement with CCEMS. The persons present in the executive session were Commissioners Plummer, Pinard, Grundmeyer, Williams and Brost, Ms. Adams, Ms. Garza, Ms. Christensen and Mr. Trachtenberg.

RECONVENE IN OPEN SESSION

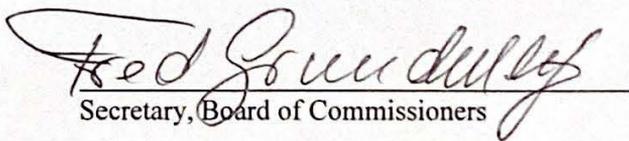
Commissioner Plummer then reconvened the meeting in open session at approximately 11:56 a.m. at which time no action was taken.

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

There being no further business to come before the Board, the meeting was adjourned at 11:58 a.m.

PASSED, APPROVED AND ADOPTED this 16<sup>th</sup> day of July, 2020.



  
Secretary, Board of Commissioners