

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

March 21, 2019

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, March 21, 2019, 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/Asst. Secretary
Kevin Brost	Asst. Treasurer

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Messrs. Ben Covey, Steve Williams and Matt Folsom, residents of the District; Mr. Carter McCormack, cameraman for Dolcefino Consulting ("Dolcefino"); 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, and Ms. Carla Christensen, paralegal, 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: Messrs. Dave Billings and Ruben Gonzales, members of the CCEMS Board of Directors; Mr. Brad England, CCEMS Executive Director; Mr. Wren Nealy, CCEMS Assistant Executive Director; and Mr. Norm Uhl, CCEMS Public Information Officer. A number of members of the public were also in attendance. A sign-in sheet is 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. McCormack for use by Dolcefino and Mr. Uhl for use by CCEMS.

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 considered approval of the minutes of the regular meeting of February 21, 2019. 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 February 21, 2019, as prepared.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD AND TAKE ANY NECESSARY ACTIONS ON SAME

Commissioner Pinard stated that he has nothing new to report on this matter at this time.

STATUS OF TRANSITION TO NEW INTERSECTION PREEMPTION CONTROLLER DEVICES (THE "PREEMPTION DEVICES")

Commissioner Brost then reminded the Board that the District had previously approved the Preemption Device Agreement by and between the District, ESD Nos. 7, 13, 16, 28 and 29 and Global Traffic Technologies, LLC and the Interlocal Agreement (the "ILA") with Harris County (the "County"). Commissioner Brost went on to report that the new preemption devices are currently being installed at test locations. Ms. Adams added that RBAP has provided the District's executed ILA to the County and is awaiting receipt of the fully-executed ILA.

STATUS OF CCEMS ENGAGEMENT OF INDEPENDENT AUDITOR TO REVIEW HSSK, LLC ("HSSK") REPORT FINDINGS FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2017 AND CONDUCT INTERNAL AUDIT OF CONTROLS, POLICIES AND PROCEDURES

Commissioner Ripley reminded the Board that Mr. Greg Schuelke of HSSK had previously presented to and reviewed with the Board the forensic report for FYE December 31, 2017 (the "Forensic Report") at the December 20, 2018 Board meeting. Ms. Adams then reminded the Commissioners that at the February Board meeting, Mr. Andrew McKinney of Litchfield & Cavo LLP, attorney for CCEMS, stated that CCEMS was agreeable to funding an independent audit of the Forensic Report's findings as well as all of CCEMS' internal operations, controls and policies by an auditor of the District's choosing. Mr. England then reported that CCEMS is agreeable to engaging Mr. Dan Ramey, CPA of Houston Financial Forensics, LLC, to conduct the independent audit/review of: 1) the Forensic Report; and 2) CCEMS' internal operations, controls and policies, based on the input of the District's independent auditor, Ms. Debbie Gibson of McCall Gibson Swedlund Barfoot PLLC.

In response to a question from Commissioner Brost regarding the scope of the independent audit of CCEMS, a discussion ensued. Commissioner Brost then stated that he believes that the District should fund the independent audit of CCEMS in order for the auditor to report directly to the Board instead of CCEMS. Mr. England stated that CCEMS previously agreed to fund the CCEMS independent audit. A motion was made by Commissioner Brost that the District engage Mr. Ramey to conduct the independent audit of the CCEMS and fund same. An extensive discussion ensued. The motion failed for lack of a second. Commissioner Brost requested that the scope of the independent CCEMS audit specifically include the audit/review of CCEMS' financial information. Mr. England responded that CCEMS plans to engage Mr. Ramey very soon and proceed with the independent audit/review of 1) the Forensic Report; and 2) CCEMS's financial statements, internal operations, controls and policies, but stated he would provide the proposed scope of services to the Commissioners in case there were any other items to include in such scope.

DISCUSS AND AUTHORIZE PREPARATION OF RECONCILIATION AUDIT REPORT (DISTRICT FUNDING VS. CCEMS EXPENDITURES) FOR FYE DECEMBER 31, 2018

Ms. Adams next reminded the Board that the District had previously engaged Roth & Eyring, CPA ("Roth & Eyring") to prepare reconciliation audits for FYE December 31, 2015 and FYE December 31, 2016, in connection with the review of CCEMS accounts funded through District payments pursuant to the Contract for Providing Emergency Medical Services (the "Service

Contract"). Ms. Adams inquired whether the Board would like RBAP to obtain a proposal from Roth & Eyring. An extensive discussion ensued. Ms. Adams and Mr. Russell informed the Board that the purpose of a reconciliation audit is to come close to compliance with Section 5.02(C) of the Service Contract even though such section requires quarterly true-ups. Ms. Adams further explained that Section 5.02(C) of the Service Contract requires CCEMS to determine the amount of District funds provided to CCEMS that have not been expended by CCEMS, if any, and that the District must then determine whether to re-allocate such unexpended funds, if any, for other District-approved expenditures of CCEMS or have the unexpended funds returned to the District for subsequent use and funding pursuant to the CCEMS operating and capital budgets approved for the respective year. 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 authorize RBAP to obtain a proposal from Roth & Eyring to perform a reconciliation audit for the District for FYE December 31, 2018.

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 (THE "CCEMS REPORT")

Commissioner Ripley next 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 February 2019, copies of which are attached hereto. Mr. England reported that during the month of February there were 2,227 transports, one (1) Life Flight transports, and that 30% of the calls made during the month were "no transports." Mr. England went on to report that during the month of February, CCEMS received 17 mutual aid assists and provided 19 mutual aid assists outside of CCEMS boundaries.

Mr. England then reported that CCEMS continues to coordinate with the U.S. Army regarding the Clinical Fellowship Program, which is ongoing.

Mr. England also reported that McGraph Consulting Group, Inc. is still in the process of updating CCEMS' Operational Assessment Report but that the related policies should be finalized in the next month.

Mr. England reminded the Board that the sign at Station No. 511 was damaged in a single vehicle accident a few months ago. Mr. England reported that the sign is in the process of being replaced. Ms. Adams explained that LaW Construction & Consulting ("LaW") anticipates installation of the foundation on March 25th and the back-lit sign on April 10th. Ms. Adams added that the final invoice from Law (in the amount of \$25,878) had been provided to Progressive Insurance ("Progressive") for reimbursement to the District in the maximum available amount of \$25,007. Ms. Adams stated that Progressive has requested a detailed final invoice from LaW before reimbursement to the District will be made.

Mr. England then requested the Board's authorization to fund the second installment of the previously approved 2018 salary increase in the amount of \$403,975.59.

Mr. England reported that Cy-Fair Hospital is no longer in-service as a hospital.

Mr. England then stated that body cameras have been deployed for CCEMS supervisors and will be utilized with emergency medical services staff after the appropriate training is completed.

In response to a question from Commissioner Brost, Mr. England stated that the CCEMS total response times are based on the time of arrival of the first ambulance on scene, not any first responder's arrival.

STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO

Mr. England next reported on the status of CCEMS' investigation of its maintenance facility and maintenance employees. Mr. England reminded the Board that, upon being made aware of the allegations against certain CCEMS employees performing work on privately-owned vehicles at the CCEMS maintenance garage, CCEMS began its own internal investigation and had terminated the employment of the maintenance facility manager. Mr. England went on to report that CCEMS turned the matter over to law enforcement to conduct a criminal investigation but its internal investigation is ongoing. Commissioner Brost then stated that the Board needs to be involved in the criminal investigation and receive status updates regarding same. Mr. England responded that the criminal investigation is being handled by the Harris County Sheriff's Office and he will not impede such investigation. Commissioner Brost then made a motion requesting all invoices from CCEMS' automobile maintenance/repair vendors for the last several years. A discussion ensued. The motion failed for lack of a second. In response to a question from Commissioner Pinard regarding CCEMS reporting to the Board on the details related to the criminal and internal investigation in Executive Session, Mr. England stated that he will have Mr. McKinney provide RBAP with the proposed "draconian" non-disclosure agreement for review.

At this time, Ms. Adams reviewed with the Board and Mr. England the items required to be provided to the District pursuant to the District's Service Contract with CCEMS. Ms. Adams stated that the CCEMS Board meeting minutes are required to be posted on the CCEMS website, but the most recent posted minutes are from 2018. Mr. England noted that he will ensure that the most recent CCEMS meeting minutes are posted on the website as soon as they are approved. Ms. Adams also requested CCEMS' 2018 Annual Manpower Report as required per Section 2.03 of the Service Contract. Mr. England stated that he will prepare and provide CCEMS' 2018 Annual Manpower Report as soon as possible.

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 authorize the CCEMS Operations payment in the amount of \$1,251,058.33 for the month of March.

REVIEW DISTRICT AND CCEMS FYE DECEMBER 31, 2019 BUDGETS AND AMEND DISTRICT'S BUDGET

The Board then reviewed the District and CCEMS' FYE December 31, 2019 budgets, copies of which are attached hereto. An extensive discussion ensued regarding whether the District should continue to provide funding to CCEMS for future maintenance benefits/wages and fuel costs, as included in the budgets. Commissioner Brost made a motion to remove \$420,000 in maintenance wages and \$450,000 in vehicle fuel from the District's budgeted expenses for CCEMS. An extensive discussion ensued. Commissioner Brost then amended his motion to remove \$420,000 in maintenance wages and the related pro-rata share of health insurance for maintenance employees from the District's budgeted expenses for CCEMS. A discussion ensued. Both motions failed for lack of a second.

Commissioner Brost made a motion to reduce the amount of District funding to the CCEMS Communications Center (the "Comm Center"). Commissioner Brost reported that the District pays 84% of the Comm Center wages and health insurance, but only 47% of the calls dispatched are for the District. A discussion ensued. The motion failed for lack of a second.

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 hold a special workshop meeting on March 28th at 6:30 p.m. to review the: 1) Service Contract and possible amendments to same; 2) District and CCEMS budgets for FYE December 31, 2019 and any discrepancies in CCEMS funding for maintenance and Comm Center wages; and 3) status of CCEMS' engagement of an independent auditor to review the Forensic Report findings and conduct an internal audit of CCEMS' financials, controls, policies and procedures.

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 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 \$327,950.20 in 2018 property tax revenue, a \$38,317.59 refund from CCEMS for the District's payment of CCEMS' maintenance wages, and benefits from January 1, 2019 to February 21, 2019 and \$1,796.49 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Operating Account.

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 Bookkeeper's Report, authorize payment of the checks reflected therein, approve the February 2019 investment report and authorize loan payment to Trustmark Bank.

Mr. Folsom exited the meeting at this time.

APPROVE ANNUAL LEASE RENEWAL WITH AMAZING SPACES STORAGE FACILITY ("AMAZING SPACES") FOR DISTRICT ELECTION EQUIPMENT STORAGE (EXPIRES APRIL 26, 2019)

Ms. Adams reported that the District's annual lease with Amazing Spaces for the storage of the District's election equipment will expire on April 26, 2019. Ms. Adams stated that it will cost \$2,170.80 to renew the annual lease with Amazing Spaces (includes a 10% discount). 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 authorize payment in the amount of \$2,170.80 to Amazing Spaces to renew the District's annual storage lease.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector Report for the month of February 2019, a copy of which is attached hereto. Ms. Adams noted that 95.79% of the District's 2018 taxes had been collected as of February 28, 2019.

DISTRICT COMMUNICATIONS REPORT

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

Mr. Johnson next reported that he is coordinating with RBAP and the District's Commissioners to resolve issues related to the District's ESD11.com email accounts.

Mr. Johnson then reported that he continues to coordinate with the District's PR committee regarding the release of official District statements in connection with the actions being taken as a result of the KPRC Ch. 2 investigation.

At this time, Mr. England presented to the Board CCEMS' 2018 Annual Manpower Report, a copy of which is attached hereto.

COMMISSIONER'S MONTHLY FACILITIES INSPECTION/TOUR REPORT

It was noted that no facility inspections were conducted after the February Board meeting and no facility inspections/tours would be conducted after the March Board meeting.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT, OR RENOVATION PROJECTS, AND TAKE ANY NECESSARY ACTIONS ON SAME, INCLUDING STATION NO. 511 SIGN REPLACEMENT

There was no further report on any District construction, repair or renovation projects at this time.

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

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

ATTORNEY'S REPORT

REVIEW SERVICE AGREEMENT WITH CCEMS, TERMS THEREIN, DISCUSS ANY PROPOSED AMENDMENTS TO SAME AND/OR OTHER AVAILABLE SERVICE OPTIONS, AND TAKE NECESSARY ACTIONS ON SAME

Ms. Adams reminded the Board that they had previously authorized her office to begin reviewing the Service Agreement and related alternative service options. Ms. Adams stated that she will review a proposed term sheet for amending the Service Contract with CCEMS with the Commissioners in Executive Session.

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

Ms. Adams next reported that in addition to the PIA request from Mr. McKinney at the February 21st Board meeting, there had been five (5) additional PIA requests received, such requests being received from Mr. McKinney, dated March 13, 2019; and four (4) requests from Mr. Wayne Dolcefino dated March 18, 2019.

Mr. England then presented to the Board and Ms. Adams an additional PIA request from Mr. McKinney, dated March 20, 2019, a copy of which is attached hereto. Ms. Adams noted it is duplicative of his prior request.

Ms. Adams stated that in regards to Mr. McKinney's PIA request dated February 21, 2019, her office has received copies of all relevant communications from each District Commissioner. Ms. Adams explained that her office has provided a portion of the responsive information to Mr. McKinney's February 21st PIA request and intends to provide the remaining responsive information in the next couple of days. Ms. Adams added that her office is in the process of requesting an Attorney General ruling in connection with the responsive documents to Mr. McKinney's PIA requests dated March 13, 2019.

Ms. Adams went on to report that her office is in the process of compiling the responsive documents in order to respond to one of Mr. Dolcefino's PIA requests and is trying to determine what is being requested in the remainder of Mr. Dolcefino's requests and will likely be requesting clarification to same pursuant to the PIA.

In response to a question from Commissioner Grundmeyer, Ms. Adams stated that her office, as the District's Public Information Officer, will be coordinating with the Commissioners regarding responding to all PIA requests.

STATUS OF PREPARATION OF DISTRICT PIA POLICY

Commissioner Pinard stated there was nothing to report on this matter at this time.

REVIEW MID-SESSION LEGISLATION UPDATE

Ms. Adams then presented to and reviewed with the Board RBAP's mid-session Legislative Update for the 86th Legislature (2019), a copy of which is on file in the records of the District.

PUBLIC COMMENTS AND MISCELLANEOUS MATTERS

The President recognized Mr. Covey, who expressed his concerns regarding the recent KPRC Ch. 2 investigation. Mr. Covey commended the Commissioners for how they are following up with CCEMS after such investigation. Mr. Covey requested that the District continue to be good stewards with taxpayer dollars. Mr. Covey went on to state that he is not happy with the attitude that Mr. England has displayed towards the Board today and encouraged CCEMS to conduct their business with as much public transparency as the District does.

In response to a question from Commissioner Brost regarding the status of any outstanding criminal and/or civil lawsuit involving CCEMS, Mr. England generally noted the status of such lawsuits. A discussion ensued.

In response to Mr. Covey, Mr. England explained that he exited the meeting a couple of times to obtain information and/or reports for the Board.

Mr. England informed the Board that Mr. McKinney will be at the next Board meeting to provide the non-disclosure agreement for execution and update the Board on the status of the Harris County Sheriff's Office criminal investigation.

Mr. England then noted that all CCEMS Board meeting minutes have been posted on the CCEMS website with the exception of the January and February minutes. Mr. England stated that CCEMS is working to have such minutes posted on the website as soon as possible.

There were no additional comments from the public at this time.

CONFIRM MARCH REGULAR MEETING DATE AND MEETING ADJOURNMENT

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Thursday, April 18, 2019, at 9:00 a.m. Commissioner Plummer stated that she will be unable to attend the next regular Board meeting.

In response to a question from Commissioner Brost regarding alternative meeting locations, a discussion ensued. It was the consensus of the Board to designate Spring Fire Station No. 71 and Champions Fire Department as alternative meeting locations, if available.

An extensive discussion then ensued regarding whether the District would be interested in budgeting any funds for legislative representation in connection with bills affecting emergency service districts.

All meeting attendees, with the exception of all members of the Board, Ms. Adams, Ms. Garza and Ms. Christensen exited the meeting at 10:51 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(2), regarding matters of attorney-client privilege, Commissioner Ripley convened the Board in Executive Session at 10:55 a.m., to consult with the District's attorney regarding certain matters concerning attorney-client privilege. The persons present in the executive session were Commissioners Ripley, Plummer, Grundmeyer, Pinard and Brost, Ms. Adams, Ms. Garza and Ms. Christensen.

RECONVENE IN OPEN SESSION

Commissioner Ripley then reconvened the meeting in open session at approximately 11:30 a.m.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:31 a.m.

PASSED, APPROVED AND ADOPTED this 18th day of April, 2019.




Secretary, Board of Commissioners