

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

November 21, 2019

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 the Klein Public Utility District Administration Building, 19001 Mirror Lake Drive, Spring, Texas 77388, a meeting place inside the boundaries of the District, on Thursday, November 21, 2019, 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, except Commissioner Pinard, thus constituting a quorum. Also attending the meeting were: 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 A. 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: Messrs. Ruben Gonzales and Dave Billings, members of the CCEMS Board of Directors; Mr. Brad England, CCEMS Executive Director; and Mr. Norm Uhl, CCEMS Public Information Officer.

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 Board recognized 30-second moment of silence for prayer and reflection.

Mr. England entered the meeting at this time.

PUBLIC COMMENTS

There were no comments from the public at this time.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of October 17, 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 October 17, 2019, as prepared, and the certified agenda for same, copies of which were previously distributed to the Board.

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

There was no 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 ("GTT") and the Interlocal Agreement (the "ILA") with Harris County (the "County"). Commissioner Brost next presented to and reviewed with the Board the status report for the installation of the new preemption devices at the County and Texas Department of Transportation ("TxDOT") intersections, a copy of which is attached hereto. Commissioner Brost noted that Econolite, the County's contractor, is still months behind on installation and deployment of the new preemption devices, but plans to have the new software for same released in December. Commissioner Brost also reported that TxDOT anticipates completion of the installation and deployment of the new preemption devices at its intersections by the end of November. Commissioner Brost went on to review correspondence regarding the estimated pro-rata shares of the first GTT invoice, a copy of which is attached hereto. Commissioner Brost added that, in the future, the District will receive a request from Klein Fire Department to be reimbursed for any overages on the new Preemption Device project with a portion of the insurance proceeds the District received in connection with damage to the previously utilized EViews preemption devices. A discussion ensued. 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 the first (1st) quarterly lease payment to GTT, upon receipt of the invoice for same.

STATUS OF INDEPENDENT AUDIT OF HSSK, LLC ("HSSK") REPORT FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2017 (THE "HSSK FORENSIC REPORT") AND CCEMS FINANCIALS, CONTROLS, POLICIES AND PROCEDURES

Mr. England stated that Houston Financial Forensics, LLC ("HFF") is in the process of conducting the audit of the HSSK Forensic Report and CCEMS finances, controls, policies and procedures, which should take several more months to complete. In response to a question, Mr. England stated that HFF anticipates completion of such audit in January or February, 2020.

Regarding the invoice from HSSK in the amount of \$7,020.00 in connection with its provision of responsive information related to the April 30, 2019 Public Information Act ("PIA") request submitted by Mr. Andrew McKinney of McKinney Taylor, P.C., Attorney for CCEMS, Ms. Christensen reminded the Commissioners that they previously authorized Commissioner Pinard to

contact Mr. Greg Schuelke of HSSK and, on behalf of the District, offer to pay HSSK one-half (1/2) of such amount. In the absence of Commissioner Pinard, there was no further update on such matter.

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 Plummer next recognized Mr. England, who presented to and reviewed with the Board the Executive Director's Report and the CCEMS Operations and Financial Reports, including the operations statistics for the month of October 2019, copies of which are attached hereto. Mr. England reported that during the month of October there were 2,483 transports, 11 Life Flight transports and that 25% of the calls made during the month were "no transports." Mr. England went on to report that during the month of October, CCEMS received 19 mutual aid assists and provided 25 mutual aid assists outside of CCEMS' boundaries.

In response to a question from Mr. England, the President stated that, at the October 17th meeting, the Board approved the Reconciliation Audit prepared by Mr. Mark C Eyring for FYE December 31, 2018 and declined payment to CCEMS for the underfunding determined by the Reconciliation Audit.

Mr. England next reminded the Board that Fort Bend County had previously requested to join the CCEMS communications/dispatch center and CCEMS is currently negotiating with Fort Bend County regarding same.

Mr. England then reported that McGraph Consulting Group, Inc. ("McGraph") had provided a draft of the updated Operational Assessment Report/Handbook to CCEMS for review. Mr. England stated that McGraph intends to complete the Handbook by the end of 2019.

Mr. England next reported that CCEMS hired a full-time Controller, Mr. Rene Johnson, who started work on October 21st. Mr. England noted that Mr. R. Johnson is in the process of reviewing CCEMS' financial records.

Mr. England went on to report that CCEMS is making minor repairs to all of its stations.

Mr. England then reminded the Board that body cameras have been deployed for both CCEMS supervisors and emergency medical services staff, but are being turned off at emergency room docks due to ongoing conversations between CCEMS and local hospital CEOs and legal representatives regarding HIPAA concerns pertaining to same.

Mr. England then reported that he recently met with representatives of the Ponderosa Fire Department regarding fire station plans.

Mr. England went on to request that the Board consider reimbursing CCEMS for the maintenance fees for the Stryker stretchers and Lucas devices previously purchased by the District. Mr. England stated that the annual maintenance fee for the Stryker stretchers is \$26,676. Mr. England added that the three (3)-year maintenance plan fee for the Lucas devices is \$75,184 and the four (4)-year maintenance plan fee for the Lucas devices is \$100,245. 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 authorize reimbursement to CCEMS in the amounts

of \$26,676 and \$75,184 respectively for maintenance fees related to the previously purchased Stryker stretchers and Lucas devices upon receipt of invoices for same.

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 CCEMS Operations and Financial Report and authorize the CCEMS Operations payment in the amount of \$1,251,058.33 for the month of October.

STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO

Mr. England next reported that he has nothing new to report in connection with the status of CCEMS' investigation of its maintenance facility employees but added that as soon as CCEMS receives new information on same it will be conveyed to the District.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON FINANCIAL MATTERS, INCLUDING FINANCIAL REPORT FROM DISTRICT TREASURER AND BOOKKEEPER AND AMENDING BUDGET FOR FYE DECEMBER 31, 2019, IF NECESSARY

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 \$67.18 in 2018 property tax revenue and \$21.13 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Operating Account.

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 Bookkeeper's Report and authorize payment of the checks reflected therein.

REVIEW AND APPROVE CCEMS BUDGET FOR FYE DECEMBER 31, 2020 ("CCEMS BUDGET") AND AMEND DISTRICT BUDGET FOR FYE DECEMBER 31, 2020 ("DISTRICT BUDGET"), IF NECESSARY

A discussion ensued regarding the District Budget that was adopted in August 2019, a copy of which is attached hereto, and potential amendments to same. It was noted that, it was the consensus of the Board to consider approving the CCEMS Budget and amending the District Budget after discussion regarding the proposed term sheet in connection with amending the Service Contract with CCEMS in Executive Session.

Mr. England then reminded the Board that he met with the District's budget committee, Commissioners Plummer and Williams, on October 9th to review the CCEMS Budget, a copy of which is attached hereto. A discussion ensued regarding whether the District should amend the District Budget in order to combine the ambulance service expense (\$15,900,000) and District capital expenditures (\$780,000), as currently reflected on the CCEMS Budget and as requested by CCEMS.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collectors Report for the month of October, a copy of which is attached hereto.

DISTRICT COMMUNICATIONS REPORT

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

Mr. Johnson then reported that he will coordinate with RBAP regarding adding the appropriate verbiage to the District's website informing the public of the District's meeting location transition.

In response to a statement from Commissioner Grundmeyer, an extensive discussion ensued regarding the importance of informing the public of the value the District provides to its constituents and the emergency medical services that the District funds.

Mr. England then noted that the CCEMS Directors recently received a letter and the District's original proposed term sheet for review and consideration and that CCEMS would provide a response to same within the next few days. An extensive discussion then ensued regarding ownership of ambulances (and related equipment) funded by the District and advertising of the funding source of such ambulances amongst other matters contained in the District's termsheet.

STATUS OF DISTRICT CONSTRUCTION, REPAIR, IMPROVEMENT OR RENOVATION PROJECTS

There was nothing to report on this matter.

REVIEW BOARD GOALS FOR 2020 AND TAKE ANY NECESSARY ACTIONS ON SAME

There was no discussion on this matter at this time.

Mr. Russell exited the meeting at this time.

ELECTION AGENDA

Ms. Adams next explained that the 2020 Commissioner's Election will be held on Saturday, May 2, 2020 (the "Election"), and noted that the terms of office of Commissioners Plummer, Pinard and Williams are expiring at such time. Ms. Adams went on to briefly explain the Election process.

Ms. Adams then presented to and reviewed with the Board a draft of the Notice of Appointment of Designated Agent for the Election. Ms. Adams explained that such notice is required by law to be translated into Spanish, Vietnamese and Chinese prior to posting and that her office is in the process of having such notice translated. Ms. Adams next informed the Board that she recommends that RBAP serve as the District's designated agent for the Election. Ms. Adams went on to explain some of the duties of the designated agent. 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 appoint RBAP as the District's designated agent for the upcoming Election. A copy of the approved Notice of Appointment of Designated Agent for the Election is attached hereto.

Ms. Adams next presented to and reviewed with the Board a draft of the Notice of Deadline to File an Application for a Place on the Ballot for the Election. Ms. Adams noted that this notice is also required by provisions of the Texas Election Code to be translated and must be posted by December 16th, which date is prior to the Board's December meeting date. Ms. Adams added that the first day which candidate applications may be accepted is January 15, 2020, and that the application filing deadline is 5:00 p.m. on Friday, February 14, 2020. A copy of the Notice of Deadline to File an Application for a Place on the Ballot for the Election is attached hereto.

A brief discussion ensued regarding possible polling locations and potential election officials should the District have opposed candidates in the election. Ms. Adams and Ms. Garza went on to explain that Radcliffe Bobbitt is in the process of reviewing potential polling locations, including the polling locations used in the 2018 District election and that the Board can further discuss polling locations and voting equipment at the December 19th Board meeting. Ms. Christensen also stated that she will begin contacting potential election officials sometime in December or January.

ATTORNEY'S REPORT

REVIEW RECENT PIA REQUESTS, IF ANY, AND STATUS OF RESPONSES TO SAME

Ms. Adams next reported that no PIA requests had been received since the October Board meeting.

REVIEW TERM SHEETS FOR PROPOSED AMENDMENT TO SERVICE AGREEMENT WITH CCEMS

Ms. Adams stated that she would further review legal matters pertaining to the District's term sheet for the Amendment to the Service Agreement with CCEMS with the Commissioners in Executive Session.

CONFIRM DECEMBER REGULAR MEETING DATE AND LOCATION AND ADOPT RESOLUTION DESIGNATING DISTRICT ADMINISTRATION OFFICE, AND REGULAR MEETING LOCATION(S), IF NECESSARY

Ms. Adams then reminded the Board that the next regular meeting is scheduled for Thursday, December 19, 2019, at 9:00 a.m. Ms. Adams noted that the Board had previously agreed to hold regular meetings at the new Bridgestone Municipal Utility District ("Bridgestone") Administration Building, beginning with the December 19th Board meeting, if possible. Ms. Adams stated that her office will confirm whether the Bridgestone Administration Building will be available for the December 19th Board meeting and make the necessary arrangements for same.

REVIEW DISTRICT CONSULTANT CONTRACTS AND TAKE NECESSARY ACTIONS ON SAME

Discussion on this matter was tabled until the next Board meeting.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza and Ms. Christensen exited the meeting at 10:14 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 Plummer convened the Board in Executive Session at 10:22 p.m., to consult with the District's attorney regarding legal matters pertaining to the term sheet for the proposed Amendment to Service Agreement with CCEMS. The persons present in the executive session were Commissioners Plummer, Grundmeyer, Brost and Williams and Ms. Adams, Ms. Garza and Ms. Christensen.

Commissioner Grundmeyer exited the meeting at 11:02 a.m.

RECONVENE IN OPEN SESSION

Commissioner Plummer then reconvened the meeting in open session at approximately 11:10 a.m. at such time the following action was taken.

REVIEW AND APPROVE CCEMS BUDGET FOR FYE DECEMBER 31, 2020 AND AMEND DISTRICT BUDGET FOR FYE DECEMBER 31, 2020, IF NECESSARY (-CONTINUED-)

It was the consensus of the Board that no amendments to the District's Budget for FYE December 31, 2020 are necessary at this time. 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 not amend the District's Budget.

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 RBAP to prepare and forward correspondence to CCEMS informing CCEMS that 1) the Board determined not to amend the District's Budget 2) CCEMS should amend its District budget items to correspond to the District's budget and 3) the Board remains committed to negotiating with CCEMS regarding appropriate and fair terms to amend the Service Agreement with CCEMS upon receipt of anticipated correspondence from CCEMS.

There being no further business to come before the Board, the meeting was adjourned at approximately 11:15 a.m.

PASSED, APPROVED AND ADOPTED this 19th day of December, 2019.



Secretary, Board of Commissioners

