

MINUTES OF MEETING OF THE
BOARD OF COMMISSIONERS

March 19, 2020

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 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 Thursday, March 19, 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, except Commissioner Pinard, thus constituting a quorum. Also attending the meeting were: Mr. Scott Seifert, Fire Chief of the Spring Fire Department; Mr. Bill Russell of Myrtle Cruz, Inc. ("Bookkeeper"), bookkeeper for the District; Ms. Regina D. Adam, attorney, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; Mr. Brad England, Cypress Creek Emergency Medical Services ("CCEMS") Executive Director; and Mr. Norm Uhl, CCEMS Public Information Officer. Attending the meeting via conference call were: Mr. Andrew McKinney of McKinney Taylor, P.C., attorney for CCEMS; Ms. Monica A. Garza, attorney, and Ms. Carla Christensen, paralegal, of RBAP; and Mr. Brian Trachtenberg and Ms. Anna Phillips of Greathouse Holloway McFadden Trachtenberg; Mr. Kerry Johnson of NRG Marketing Group ("NRG"), the District's website service provider and public relations consultant; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("McCall Gibson"), auditors for the District; Mr. Mark C. Eyring, CPA, special auditor for the District; and Mr. Wayne Dolcefino of Dolcefino Consulting.

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.

After a 30-second moment of silence for prayer and reflection, the Board conducted the Pledge of Allegiance to the United States' Flag.

PUBLIC COMMENTS

The President recognized Mr. Seifert, who read a statement to the Board regarding a recent meeting that was held between area fire chiefs from the fire departments within the District's boundaries and CCEMS management, a copy of which is attached hereto. Mr. Seifert stated that at such meeting several matters were discussed, including: 1) the increasing demand for EMS services; 2) the necessity to reduce the number of EMS calls for the fire departments within the District's boundaries; 3) the restocking and reimbursement for EMS medical supplies; and 4) sharing facilities. Mr. Seifert went on to state that at the conclusion of the meeting, all of the fire chiefs agreed to continue to collaborate with CCEMS in an effort find appropriate solutions to address the issues discussed. Mr. Seifert added that he recently received a call and correspondence from Commissioner Brost regarding whether there are fire stations, including Spring Fire Department stations, available for the District to lease for ambulances and EMS crews. Mr. Seifert noted that he and the Harris County Emergency Services District No. 7 ("ESD 7") Board of Commissioners had previously agreed to provide space at Spring Fire Station No. 74 ("Spring 74") to CCEMS for an ambulance and an EMS crew ("Medic 14"). Mr. Seifert added that entering into an agreement with any other entity other than the entity from which the Spring Fire Department receives medical and dispatching direction, CCEMS, does not seem logical and would endanger or fracture the current working relationship between the Spring Fire Department and CCEMS. Finally, Mr. Seifert stated that, as the chief of the Spring Fire Department, he refuses to jeopardize the relationship that he and the Spring Fire Department have with CCEMS.

Chief Seifert exited the meeting at this time.

The President then recognized Mr. England, who stated, as a taxpayer within the District, he believes that the Board is interfering with the daily operations of CCEMS by withholding payment to CCEMS last month for medical supplies.

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

Commissioner Brost entered the meeting at this time.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the regular meeting of February 27, 2020. Commissioner Brost requested that the February 27th minutes be revised to underline the word "unanimously" in two (2) motions voted on by the Board (page 9, 2nd paragraph and page 10, 3rd paragraph). 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 27, 2020, as revised, and the certified agenda for same.

STATUS OF PROPOSED ADMINISTRATIVE AND OPERATIONAL POLICIES AND PROCEDURES OF THE BOARD AND TAKE ANY NECESSARY ACTIONS ON SAME, INCLUDING REVIEW AND ADOPTION OF RESOLUTION ADOPTING AMENDED DISTRICT REIMBURSEMENT POLICY (THE "REIMBURSEMENT POLICY")

Ms. Adams reminded the Board that she previously received a request from two Commissioners for the Board to consider amending the Reimbursement Policy in order to allow the Commissioners to receive a fee of office for each day that the Commissioner spends performing the

duties of Commissioner. Ms. Adams presented to and reviewed with the Board the Resolution Amending the Reimbursement Policy. 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 adopt the Resolution Amending the District's Reimbursement Policy, a copy of which is attached hereto.

There was no additional report on the District's administrative and operational policies.

REVIEW AND APPROVE ANNUAL AUDIT REPORT FOR FISCAL YEAR ENDED ("FYE") DECEMBER 31, 2019

Mr. Ellis next reviewed with the Board the draft of the District's audit report and management letter for FYE December 31, 2019 (the "Audit"), 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. A discussion ensued. It was the consensus of the Board to table action on this matter until the April 16th Board meeting.

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 with Harris County (the "County"). Commissioner Brost reviewed with the Board the status of the installation of the new preemption devices at the County and Texas Department of Transportation intersections. Commissioner Brost stated that he previously provided an invoice from GTT to the Bookkeeper for payment. In response to a question from Commissioner Brost, Mr. Russell stated that he has prepared a check to GTT in the amount of \$222,815.63 for Board approval. Commissioner Brost noted that such payment to GTT is the District's annual lease payment.

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

Mr. England stated that Houston Financial Forensics, LLC is in the process of conducting the audit of the HSSK Forensic Report and CCEMS finances, controls, policies and procedures. Mr. England noted that such audit is expected to be completed by June 2020.

AUTHORIZE MARK C. EYRING, CPA, ("EYRING") TO PREPARE RECONCILIATION AUDIT REPORT (DISTRICT FUNDING VS. CCEMS EXPENDITURES) FOR FYE DECEMBER 31, 2019

Ms. Adams next reminded the Board that the District previously engaged Eyring to prepare reconciliation audits for FYE December 31, 2015, FYE December 31, 2016 and FYE December 31, 2018 in connection with the review of the information available regarding CCEMS accounts funded through District payments, in lieu of the quarterly true up requirements from the Contract for Providing Emergency Medical Services (the "Service Agreement"). Ms. Adams added that, in lieu of doing same for FYE December 31, 2017, the Board opted to pursue the HSSK report. Mr. Eyring then presented to and reviewed with the Board an engagement letter to prepare a

reconciliation audit for the FYE December 31, 2019 in connection with the review of available CCEMS accounts funded through District payments, a copy of which is attached hereto. Mr. Eyring estimated a fee range between \$5,950 and \$6,950 to perform the reconciliation audit. A discussion ensued, after which Mr. Eyring answered questions from the Board.

An extensive discussion ensued regarding the Service Agreement requirement to "true-up" quarterly. Mr. Russell explained that the Board decided many years ago to perform an annual "true-up" assessment instead of doing so quarterly.

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 engage Eyring to prepare the reconciliation audit for FYE December 31, 2019 and authorize execution of the engagement letter for same, a copy of which is attached hereto.

REVIEW AND TAKE ANY NECESSARY ACTIONS ON MONTHLY OPERATIONS AND FINANCIAL REPORT FROM CCEMS, INCLUDING CONSIDERATION OF MONTHLY OPERATIONS FUNDING REQUESTS, CAPITAL FUNDING REQUESTS, CCEMS PERSONNEL MANPOWER REPORT, EXECUTIVE DIRECTOR'S ANNUAL REPORT AND CCEMS ANNUAL PERFORMANCE REVIEWS AND PLAN

Mr. England 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 February 2020, copies of which are attached hereto. Mr. England reported that during the month of February there were 2,600 transports, ten (10) Life Flight transports and that 24% of the calls made during the month were "no transports." Mr. England went on to report that during the month of February, CCEMS received 54 mutual aid assists and provided 31 mutual aid assists outside of CCEMS' boundaries.

Mr. England next reported that CCEMS is coordinating with the U.S. Army regarding the Clinical Fellowship Program for 2020. Mr. England noted that the program is running smoothly.

Mr. England then reported that CCEMS continues to coordinate with representatives of the Ponderosa Fire Department and other fire departments within the District regarding future plans for fire stations and ambulance bays. A discussion ensued regarding the increasing demand for additional ambulances within the District and the Commissioners reinforced the need for more ambulances covering all areas of the District.

Mr. England next stated that a portion of the March 4th letter from the District's attorney is inaccurate. Mr. England went on to state that CCEMS does not receive reimbursement payments from the area fire departments for the payment of medical supplies, for which the District is also paying CCEMS. Mr. England noted that the area fire departments receive excess or surplus medical supplies from CCEMS. Mr. McKinney then stated that he is unsure if the Board is aware but, in his communications with Ms. Adams he has proposed scheduling a workshop meeting with the Board to discuss the Service Agreement and renegotiation of same. Ms. Adams responded that the Board is immediately provided with all communication that her office receives from Mr. McKinney. Mr. McKinney went on to state that the Service Agreement does not grant the District the authority to withhold any payment from CCEMS. Ms. Adams responded that, in accordance with Section 5.01(C) of the Service Agreement, the District has the right to approve the monetary amounts that will be paid to CCEMS and exercised such right last month by withholding payment to CCEMS for medical

supplies until CCEMS provides evidence of such expenditures and the receipts from the fire departments for such medical supplies. Mr. McKinney stated that providing all of CCEMS' receipts to the District is an onerous task, but CCEMS is willing to open up its financial records for inspection by the District.

After further discussion regarding scheduling a special workshop meeting, the Board agreed to call a special workshop meeting with CCEMS on Saturday, April 4th at 9:00 a.m. at the Bridgestone Administration Building to further discuss amending the Service Agreement.

In response to a question from Commissioner Brost regarding the last time that CCEMS placed a new full time ambulance in service, Mr. England stated that he could not recall.

Mr. England then reported that he has provided the CCEMS 8-minute and 10-minute coverage areas per census tract, per Commissioner Brost's request. Mr. Brost stated that was not the information he has been requesting for the previous three (3) months. Ms. Adams noted that the March 4th letter from her office, on behalf of the Board, requested that Mr. England provide the Board with the actual CCEMS ambulance response times for each station/ambulance for each census tract, not the average times or general first responder times.

A long, heated exchange then ensued between Commissioner Brost and Mr. England regarding CCEMS' lengthy response time to a particular 911 call placed mid-February Commissioner Brost asked Mr. England if he was stating that the call never happened. Mr. England stated a call like the one described by Commissioner Brost occurred two (2) years ago. Mr. England then called Chief Seifert who in responding to a question from Mr. England to confirm when the call that he and Chief Seifert previously discussed where the news media was involved occurred, stated it was in January 2018. Mr. England then disconnected the call.

Commissioner Brost then asked Mr. England to call CCEMS dispatch. Mr. England did so and upon inquiry from Mr. England as to the February 2020 call in question, the dispatch supervisor stated such call could not be located in CCEMS' records. Mr. England then disconnected the call. Commissioner Brost agreed to provide the Board with evidence of such 911 call for which Mr. England and the dispatch supervisor stated never occurred.

STATUS OF INVESTIGATION OF CCEMS MAINTENANCE FACILITY AND EMPLOYEES RELATED THERETO

Mr. McKinney then provided an update on the investigation of possible criminal activity by CCEMS maintenance facility employees. Mr. McKinney reported that CCEMS has completed the full forensic audit in connection with the possible criminal financial activities by a CCEMS employee. Mr. McKinney went on to report that after an informal investigation, the alleged value of the theft totals no more than \$50,000 and CCEMS intends to turn such matter over to the Public Integrity Unit of the Harris County District Attorney's office. In response to a question from the Board, Mr. McKinney stated that CCEMS does not have a case/file number from the Harris County Sheriff's Office ("HSCO") in connection with the investigation.

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 CCEMS Operations and Financial Report.

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

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 \$361,959.06 in 2019 property tax revenue and \$1,585.03 in investment interest. Mr. Russell further reported that all such revenue had been deposited into the District's Operating Account.

A discussion ensued regarding the current state of the District's investments.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg and Ms. Phillips exited the meeting at 10:30 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 10:38 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, Grundmeyer, Williams and Brost, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg and Ms. Phillips.

RECONVENE IN OPEN SESSION

Commissioner Plummer then reconvened the meeting in open session at approximately 11:22 a.m.

Mr. Russell, Mr. England and Mr. Dolcefino re-entered the meeting at this time.

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) authorize action with regard to the parameters of the April 4 workshop meeting, as discussed in Executive Session; 2) authorize payment on the Trustmark Bank loan by March 25th; 3) approve the Bookkeeper's Report, as discussed; and 3) authorize payment of bills as submitted, with the exception of the CCEMS operations payment in the amount of \$1,325,000 for the month of March, which is being paid under protest.

APPROVE ANNUAL LEASE RENEWAL WITH AMAZING SPACES STORAGE FACILITY ("AMAZING SPACES") FOR DISTRICT ELECTION EQUIPMENT STORAGE (EXPIRES May 25, 2020)

Ms. Adams reported that the District's annual lease with Amazing Spaces for the storage of the District's election equipment will expire on May 25, 2020. Ms. Adams recommended that the District renew the annual lease with Amazing Spaces (12-month payment includes one (1) month free). 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 authorize the necessary payment to Amazing Spaces to renew the District's annual storage lease (expiration on June 25, 2021).

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Adams then reviewed with the Board the Tax Assessor/Collector's Report for the month of February, a copy of which is attached hereto. Ms. Adams noted that, as of February 29, 2020, the District had collected 95.9% of its 2019 tax levy.

DISTRICT COMMUNICATIONS REPORT

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

There was no report at this time.

PRESENTATION OF BRAND RANCH MEDIA FOR WEBSITE AND PR SERVICES AND TAKE NECESSARY ACTIONS ON SAME

There was no presentation at this time.

DISCUSS NRG PR, MARKETING AND REPUTATION MANAGEMENT AGREEMENT AND DIGITAL MARKETING SERVICES/WEBSITE CONTRACT AND TAKE NECESSARY ACTIONS ON SAME

There was no discussion on this matter at this time.

DISCUSS CREATION OF STRATEGIC CAPITAL PLAN AND REVIEW GENERAL AREAS WITHIN THE DISTRICT FOR POTENTIAL ADDITIONAL STATION LOCATIONS AND ACQUISITION OF ADDITIONAL AMBULANCES AND TAKE NECESSARY ACTION ON SAME

A discussion ensued regarding the creation of a strategic capital plan for the District. Ms. Adams noted that the District's exploratory committee intends to meet on Tuesday, March 24th.

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

The President noted that the top priority for the Board is placing additional ambulances in operation in an effort to meet the increasing demand and reduce high response times. There was no additional discussion on this matter at this time.

ATTORNEY'S REPORT

REVIEW VARIOUS MATTERS RELATED TO SERVICE AGREEMENT WITH CCEMS AND TAKE ANY NECESSARY ACTIONS ON SAME

Ms. Adams reminded the Board that, on January 9th, RBAP transmitted correspondence to CCEMS and Mr. England in care of Mr. McKinney (via regular and certified mail) in response to CCEMS' November 25th and 27th letters. Ms. Adams also reminded the Board that, on March 4th, RBAP transmitted correspondence to CCEMS and Mr. England in care of Mr. McKinney (via email, regular and certified mail) regarding several outstanding matters related to the Service Agreement with CCEMS, the Board's rationale for the reduction in the February payment and the various documents and information the Board has requested from CCEMS pursuant to the Service Agreement.

The Board asked Ms. Adams to further review legal matters pertaining to the Service Agreement with CCEMS with the Commissioners in Executive Session.

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

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

DELEGATION OF AUTHORITY IF THE BOARD IS UNABLE TO MEET

Ms. Adams reported that this item is not currently necessary, thought that might change. Ms. Adams noted that since the Governor of Texas has declared a national emergency in connection with the novel coronavirus ("COVID-19"), there have been recent suspensions of certain provisions of the Texas Open Meetings Act, allowing the District to hold future meetings by teleconference or videoconference during the emergency.

All meeting attendees, with the exception of all members of the Board present, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg and Ms. Phillips exited the meeting at 11:36 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 and 551.072, regarding matters of attorney-client privilege and real estate matters, Commissioner Plummer convened the Board in Executive Session at 11:38 a.m., to consult with the District's attorney regarding legal matters pertaining to the Service Agreement with CCEMS and the acquisition of property for additional stations or ambulance bays. The persons present in the executive session were Commissioners Plummer, Grundmeyer, Williams and Brost, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg and Ms. Phillips.

Commissioner Grundmeyer exited the Executive Session at 12:24 p.m.

RECONVENE IN OPEN SESSION

Commissioner Plummer then reconvened the meeting in open session at approximately 1:05 p.m. at which time the following action was taken.

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 action as discussed in Executive Session, including preparation and publication of a Request for Qualification for emergency medical services. The Commissioners noted that such action was not intended to terminate the Service Agreement with CCEMS nor should it be construed in such a way; the intent was to, amongst other things, explore the District's service options.

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 hold the April 16th meeting (at 9:00 a.m.) at the Bridgestone Administrative Building.

There being no further business to come before the Board, the meeting was adjourned at 1:10 p.m.

PASSED, APPROVED AND ADOPTED this 16th day of April, 2020.



Secretary, Board of Commissioners

(DISTRICT SEAL)

