

MINUTES OF MEETING OF THE  
BOARD OF COMMISSIONERS

October 1, 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 special session, open to the public, at the Bridgestone Municipal Utility District Operations and Water Education Center (the "Bridgestone MUD building"), 19720 Kuykendahl Road, Spring, Texas 77379, a meeting place inside the boundaries of the District, on Thursday, October 1, 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 A. Garza, attorneys, and Ms. Carla Christensen, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), attorneys for the District; Mr. Brian Trachtenberg and Ms. Anna Phillips of Greathouse Holloway McFadden Trachtenberg, special counsel to the District; Ms. Danielle Supkis Cheek, CPA of Pannell Kerr Forster of Texas, P.C. ("PKF") (via teleconference); Messrs. Zach Karrenbrock and Hunter Gore of 62 Digital, LLC ("62 Digital"), the District's website service provider and communications coordinator; Mr. Matt Zavadsky of Metropolitan EMS Authority ("MedStar") (via teleconference); Messrs. Terry Lynch, Jeff Lynch and Andy Lynch of J T Lynch Company, LLC ("JT Lynch"); Chief Richard Lieder of the Cypress Creek Fire Department; Mr. Wren Nealy, Cypress Creek Emergency Medical Services ("CCEMS") Chief Executive Officer; Mr. Enrique Lima, President-Elect of the CCEMS Board of Directors ("CCEMS Board"); Mr. George Vie of Feldman & Feldman, P.C., attorney for CCEMS; Mr. Steven Beesley, CCEMS Interim Public Information Officer; and members of the public and employees of CCEMS. A copy of the sign-in sheets are attached hereto.

There were other members of the public in attendance via teleconference 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 and recorded by Mr. Beesley for use by CCEMS. The meeting was also streamed live by 62 Digital on the District's Facebook page.

The Board held a 30-second moment of silence for prayer and reflection.

PUBLIC COMMENTS

The President first recognized Mr. Lima, who stated that he was attending the meeting on behalf of the CCEMS Board in response to the Board's invitation to attend such meeting.

There were no additional public comments at this time.

APPROVAL OF THE MINUTES

The Board considered approval of the minutes of the special meetings of August 29, 2020, September 3, 2020 and September 10, 2020. 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 special meetings of August 29, 2020, September 3, 2020 and September 10, 2020, as presented, and the certified agendas for same.

STATUS OF CORRECTION OF VEHICLE TITLES ON DISTRICT-OWNED AMBULANCES IN USE BY CCEMS

Ms. Adams then reported that her office has completed the process of correcting the vehicle titles for ten (10) of the 12 ambulances owned by the District and has received receipts for same. Ms. Adams noted that her office will also coordinate the correction of the titles for the remaining two (2) ambulances once the erroneous liens on such titles have been removed by CCEMS. Mr. Vie then reported that he has an appointment the following week with the Harris County Tax Office to correct the two (2) ambulance titles that have erroneous liens.

REVIEW PROPOSAL FOR PROCUREMENT OF AMBULANCES AND TAKE ANY NECESSARY ACTION ON SAME

Commissioner Brost then reported that he is proceeding with the inspection process in connection with the District's potential procurement of eight (8) ambulances the subject of the proposal for same via Houston-Galveston Area Council.

UPDATE FROM MEDSTAR, INCLUDING STATUS OF OBTAINING TEXAS DEPARTMENT OF STATE HEALTH SERVICES ("DSHS") EMERGENCY MEDICAL SERVICES ("EMS") PROVIDER LICENSE AND STATUS OF POSTINGS FOR DISTRICT EXECUTIVE DIRECTOR, BUSINESS MANAGER, MEDICAL DIRECTOR AND ANY OTHER EMPLOYEES OR CONTRACTORS DEEMED ADMINISTRATIVELY NECESSARY

Mr. Zavadsky reported that MedStar has finalized the District organizational charts, as previously discussed, and is in the process of preparing the application to obtain the District's DSHS EMS Provider license.

Mr. Zavadsky next reminded the Board it had previously approved the job descriptions

for a District Executive Director, Director of Operations, Business Manager/Director of Finance and Director of Clinical Services. Mr. Zavadsky stated that MedStar is coordinating with Mr. Steve Athey of Health Care Visions, LLC, the District's health care Executive Recruiter, to finalize the Executive Director job description for posting later in the day.

Commissioner Williams entered the meeting at this time.

Mr. Zavadsky then stated that MedStar is in the process of developing an economic model for the District.

STATUS OF PREPARATION OF SPECIAL DISTRICT EXAMINATION BY PKF, INCLUDING RECONCILIATION OF DISTRICT FUNDING VS. CCEMS EXPENDITURES AND PHYSICAL INVENTORY OF DISTRICT AND CCEMS ASSETS

Ms. Adams reminded the Commissioners that they previously authorized PKF to conduct an investigation and prepare a report to include: 1) a reconciliation of the District funding vs. CCEMS expenditures since 2017; and 2) a physical inventory of CCEMS and District assets.

The President then recognized Ms. Cheek, who reported on the status of PKF's request to CCEMS for financial records for her review. Ms. Cheek reported that CCEMS has provided all of the requested financial records via the secure portal. Ms. Cheek stated that she is in the process of reviewing such records and preparing the special District examination report. In response to a question, Ms. Cheek stated that she hopes to have an initial draft analysis of her findings by the end of the month.

STATUS OF REAL ESTATE ACQUISITIONS AND NEGOTIATIONS FOR SAME, INCLUDING APPROVE ENGAGEMENT OF APPRAISER OF PROPERTY

Ms. Adams stated that Mr. T. Lynch would further review the status of real estate acquisitions/negotiations in Executive Session.

AUTHORIZE OBTAINING FINANCING FOR VEHICLES AND REAL ESTATE

Ms. Adams reminded the Board that they previously authorized her to coordinate with the District's financial advisor to procure the necessary financing options for the District's acquisition of real estate and vehicles and she has been in discussions with same.

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

Ms. Adams stated that the Board extended a written invitation to the entire CCEMS Board to attend the current Board meeting to discuss the orderly transition of CCEMS services during the remainder of the 360-day termination period triggered by the District's notice of termination of the Service Agreement with CCEMS. Ms. Adams went on to state that due to CCEMS' refrain that the CCEMS Board wanted to meet with the Board, the Board formally invited the CCEMS Board to the meeting.

Mr. Lima then stated that he is attending the meeting today on behalf of the CCEMS Board and informed the Board that CCEMS is willing to continue to honor the Service

Agreement between CCEMS and the District and looks forward to the District doing the same. In response to a number of questions from Commissioners Brost and Williams, Mr. Lima repeatedly stated that CCEMS is willing to continue to honor the Service Agreement between CCEMS and the District and looks forward to the District doing the same. Mr. Vie then requested that the Board consider holding a special meeting with the CCEMS Board on another day after 5:00 p.m. to discuss any proposals/options in connection with the Service Agreement and related transition of services. In response to a statement from Commissioner Williams, Mr. Vie agreed to provide RBAP with two (2) to three (3) date and time options for the Board to consider meeting with the CCEMS Board.

Mr. Trachtenberg next informed the Board that CCEMS filed a lawsuit against the District and Commissioners individually on Wednesday, September 30<sup>th</sup>. Mr. Trachtenberg went on to report that, in the lawsuit, CCEMS' complaint regards the Board's action taken at the September 17 meeting regarding withholding the remainder (70% (\$927,500)) of the monthly CCEMS operations invoices beginning with the October invoice if (1) all outstanding CCEMS employee self-insurance claims made and submitted prior to June 30, 2020 are not paid in full; and/or (2) PKF reports to the District that CCEMS has been less than cooperative in responding to any of Ms. Cheek's inquiries regarding the forensic examination which will continue until PKF reports full cooperation from CCEMS. Mr. Trachtenberg stated that CCEMS' lawsuit included a request for a temporary restraining order that would prevent the District from withholding payment to CCEMS if CCEMS failed to pay certain CCEMS employee health insurance claims. Mr. Trachtenberg reported that a hearing on this and other demands made by CCEMS was held on the afternoon of September 30 in the Ancillary District Court of Harris County and the judge denied CCEMS' request for a temporary restraining order.

At the request of Mr. Trachtenberg, Mr. Vie then explained CCEMS' concerns related to the District's September 17<sup>th</sup> motion to begin withholding the remainder (70% (\$927,500)) of the monthly CCEMS invoices beginning with the October invoice, if all outstanding CCEMS employee self-insurance claims made and submitted prior to June 30, 2020, are not paid in full." Mr. Vie explained that an employee's medical provider has up to one (1) year to file an insurance claim and the current claims period is open until June 1, 2021. Mr. Vie went on to report that it is not financially feasible or possible for CCEMS to interfere in the insurance claims process. A discussion ensued after which Mr. Vie stated that he would confirm certain details regarding the insurance claims process with the CCEMS health benefits/insurance attorney, Ms. Alison Sulentic of the Sulentic Law Firm. Commissioner Brost reported that Commissioners have received a number of complaints from CCEMS employees in connection with their outstanding (and in some cases, substantial) health insurance claims from the prior insurance year, which was the subject of the motion. Mr. Lima noted that the Commissioners should have his cell phone number and are always welcome to contact him with any concerns or issues.

The Board asked Ms. Adams and Mr. Trachtenberg to further review legal matters pertaining to the Service Agreement in Executive Session.

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 9:40 a.m.

CONVENE IN EXECUTIVE SESSION

Pursuant to the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, specifically Sections 551.071, 551.072 and 551.074, regarding matters of attorney-client privilege, real estate matters, pending or contemplated litigation and personnel matters, Commissioner Plummer convened the Board in Executive Session at 9:40 a.m., to consult with the District's attorney regarding legal matters pertaining to the Service Agreement with CCEMS, real estate negotiations/acquisitions and personnel matters. The persons present at various times in the Executive Session were Commissioners Plummer, Williams, Grundmeyer and Brost, Ms. Adams, Ms. Garza, Ms. Christensen, Mr. Trachtenberg, Ms. Phillips, Messrs. Lynch, Ms. Cheek and Mr. Zavadsky.

Messrs. T. Lynch, J. Lynch and A. Lynch entered the Executive Session at 9:41 a.m.

Commissioner Pinard entered the Executive Session at 9:49 a.m.

Messrs. T. Lynch, J. Lynch and A. Lynch exited Executive Session at 10:26 a.m.

Mr. Zavadsky entered the Executive Session via teleconference at 10:28 a.m. and exited Executive Session at 10:31 a.m.

Ms. Cheek entered the Executive Session via teleconference at 10:34 a.m. and exited Executive Session at 10:46 a.m.

RECONVENE IN OPEN SESSION

All meeting attendees re-entered the meeting at this time.

Commissioner Plummer then reconvened the meeting in open session at approximately 12:30 p.m. at which time the following discussion/action was taken:

STATUS OF REAL ESTATE ACQUISITIONS AND NEGOTIATIONS FOR SAME, INCLUDING APPROVE ENGAGEMENT OF APPRAISER OF PROPERTY

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 District's real estate broker, JT Lynch, to extend a counter-offer for the purchase of real property, authorize payment of \$25,000 earnest money for same and authorize JT Lynch to acquire an appraisal, survey and Phase I Environmental Assessment as discussed in Executive Session.

There being no further business to come before the Board, the meeting was adjourned at 12:31 p.m.

PASSED, APPROVED AND ADOPTED this 15<sup>th</sup> day of October 2020.



  
Secretary, Board of Commissioners