

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
WINNIE-STOWELL HOSPITAL DISTRICT**

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 9:00 a.m. on the 6th day of November, 2019 at the District’s offices located at 310 SH 124, Winnie, Texas 77665. A copy of said Notice being placed amongst the files of the District.

At approximately 9:06 a.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

Ed Murrell, President
Anthony Stramecki, Vice-President
Robert “Bobby” Way, Treasurer
Jeff Rollo, Secretary
Raul Espinosa, Director

All said Board members were present less Directors Espinosa. In addition, to the above-named Board members, also present at the meeting were: Sherrie Norris, District Administrator; Mrs. Patricia Ojeda, Indigent Care Coordinator/Administrative Assistant; Hubert Oxford, IV, General Counsel for the District; Saad Javed, Acting Administrator for Riceland Hospital; Mr. Mo Danishmund, Chief Financial Officer for Hospital; Mr. Doylton Davis, Precision Structures, Inc.; Mr. Wade Thibodeaux, the Hometown Press; and Gloria Roemer, Seabreeze Beacon.

President Murrell called the meeting to order and asked those present to recite the Pledge of Allegiance and the Pledge of Allegiance to the State Flag of Texas. He then asked for Public Comment and gave Mr. Thibodeaux the opportunity to speak. Mr. Thibodeaux announced that he has been making comments at all the area meetings regarding HB 2840 and the public’s right to make comments during the discussion of specific agenda items. The Board thanked Mr.

Thibodeaux for his insight and assured him that it was the District's intent to follow all the laws applicable to the District.

At the end of Mr. Thibodeaux's public comment, President Murrell asked the Board to address Agenda Item No. 4 to discuss and take action, if necessary, on approving property lease agreement with Riceland Hospital to be used for the District's principle place of business. Attorney Oxford presented the Board with a draft lease and reviewed all the provisions in the lease requested by the Board at the October 16, 2019 Regular Meeting. (See Exhibit "A-1"). In addition to the provisions discussed at the Regular Meeting, Director Way asked Attorney Oxford to include a provision in the indemnity section whereby the Hospital would indemnify the District for any claims that may arise from the non-leased property on the Hospital campus.

Once Attorney Oxford reviewed the proposed lease in detail, he provided the Board with an appraisal for the leased property and told them Hall Appraisal Company valued the property at \$68,000.00. (See Exhibit "A-2"). However, he continued, Hall Appraisal Company could not provide an appraisal for a fair market rental value, but they did suggest setting the annual lease value on a six (6) percent rate of return on the appraised value. If the Board agreed, this would be \$4,080.00 per year, or \$340.00 per month. While discussing the lease terms, Attorney Oxford informed the Board that he included a provision to the lease that the property would be re-appraised after five (5) years and a new rental value would be set using the new appraisal and a reasonable rate of return. At the conclusion regarding the lease term and a fair market value rental rate, Director Stramecki made a motion to approve the proposed lease subject to the inclusion of a provision indemnifying the District for claims that may take place on the non-leased property of the Hospital. This motion was seconded by Director Way and passed with the unanimous consent of all the Board members present.

Turning to Agenda Item No. 5, to discuss and take action, if necessary, on considering and approving proposals for the preparation and acquisition of a modular building to serve as the District's principle place of business pursuant to Texas Local Government Code §§ 271.056(1) & (2), President Murrell called on Mr. Doylton Davis to present pictures of the modular building that was currently available to the District and to answer various questions by the District's Board regarding the building's details. (See **Exhibit "B-1"**). Specifically, the group talked about the facility's windstorm load, color, and layout inside. The Hospital representatives attending the meeting participated in this discussion and agreed that the facility depicted in the pictures met their expectations. Therefore, as required by the lease, the Hospital approved the purchase of the building shown.

Thereafter, President Murrell advised that he had received three (3) proposals to prepare a pad site, parking space, and handicap parking pad but he only presented two (2) of the proposals because the third proposal was unreasonably higher than the others. Of the three proposals, President Murrell recommended the low bid by Simon Construction, LLC for \$18,000.00. (See **Exhibit "B-2"**). According to Mr. Murrell, he has worked with this company in the past and their work has always been good. Regarding the specifics of the proposal, President Murrell noted that the proposal called for a 60*40' limestone base for the pad and parking area; and a 56*26*4" concrete slab for the modular home to be placed. Moreover, the proposal provides for a 12" pipe crossing to replace the ditch in between the leased property and the Hospital's parking lot.

In addition, Mr. Murrell reminded the Board of other set up costs. These include:

Service	Amount
➤ Plumbing	\$1,800.00
➤ Electrical	\$2,500.00
➤ Sewer Grinder	\$3,200.00
➤ Water Tap Fee	\$1,000.00
➤ Water Deposit	\$200.00

➤ Windstorm Certificate \$750.00
\$9,450.00

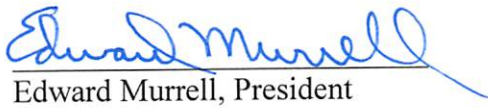
At the end of President Murrell’s discussion regarding the pad site and other associated set up expenses, Attorney Oxford presented the Board with insurance quotes for flood and windstorm he received from the District’s agent, J.S. Edwards and Sherlock. (See Exhibit “B-3”). According to Attorney Oxford, the quote from Western World Insurance Co. for the minimums set forth in the lease was \$2,060.10 with a \$1,000.00 deductible. Meanwhile, J.S. Edwards and Sherlock supplied a quote from Wright National Flood Insurance Company that provides prices for various levels of property and contents coverage. For a policy that covers \$100,000.00 for property and \$50,000.00 in contents, the annual cost would be \$1,235.00.

Lastly, the Board discussed the need to apply for a commercial construction permit with Chambers County, Texas and to engage an engineer to perform a windstorm inspection and issue a windstorm certificate for the structure. Director Stramecki advised that he would be responsible for obtaining the permit from the county. President Murrell asked Attorney Oxford to reach out to Ted Harp Engineering to get a proposal to inspect the building’s blueprints and the District’s plans for a pad site and foundation.

At the conclusion of the discussion of the building, pad, insurance, and miscellaneous set up expenses, Director Way made a motion, subject to confirmation by engineer that the facility and pad site plans could be windstorm approved, to: 1) accept the low bid of Simon Construction, LLC to build a pad site and foundation for \$18,000.00; 2) accept the windstorm quote by Western World Insurance Co.; 3) accept the flood quote for \$100,000.00 property and \$50,000.00 in contents by Wright National Flood Insurance Company; 4) authorize staff to engage contractors to hook up sewer and water, electrical, and other utilities; and 5) apply for a permit through Chambers County, Texas to construct the pad site and install facility. This motion was seconded

by Director Stramecki to approve Director Way's motion with the unanimous consent of all the Board members present.

After discussing the Agenda Items and there being no other business, President Murrell reminded the Board that the next Regularly Scheduled Board meeting was November 20, 2019. At 10:34 a.m., a motion was then made by Director Way to adjourn the meeting. This motion was seconded by Director Stramecki, with the unanimous consent of all Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President