

MINUTES FOR 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., April 3, 2020 at the District’s Offices located at 310 SH 124, Winnie Tx 77665 (a copy of said Notice being placed amongst the files of the District).

This meeting took place pursuant to the March 16, 2020 Order by the Governor of the State of Texas that allows Board Members, staff, and members of the public to attend and participate in the by conference call. In addition to these minutes, a recording of the meeting was made is has been preserved and can available to public.

At approximately 6:04 p.m., the meeting was convened, and the roll was called of the members of the Board, to wit:

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

All said Board members were present, except Director Espinosa, thus constituting a quorum. In addition, to the above-named Board members, also present at the meeting were:

Mrs. Sherrie Norris	District Administrator
Mrs. Patricia Ojeda	Indigent Care Director/Administrative Assistant
Mr. Hubert Oxford, IV	General Counsel for the District
Mr. Mo Danishmund	Chief Financial Officer, Hospital
Mr. Veeshan Ali	Senior Accountant, Hospital
Mr. Chris Portner	Counsel for Hospital
Ms. Gloria Roemer	Seabreeze Beacon

2. Pledge of Allegiance

3. Public Comment

After the introduction of the guest, President Murrell called on 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 but there was none.

4. Discuss and take-action, if necessary, on considering rescinding the Board's approval of the First Amended Indigent Care Agreement approved at the February 19, 2020 Regular Meeting and adopting a revised First Amended Indigent Care Agreement.

Attorney Oxford reported that he worked with Mr. Portner, Counsel for Hospital to accommodate the Board's wishes for the revised version of the First Amended Indigent Care Agreement. Specifically, attached as **Exhibit "A"** is a draft of the Agreement that recognizing the payment by the District of \$450,000.00 to assist for assistance with Hospital operations due to the impact on the Hospital from the COVID 19 (Coronavirus) subject to the parties agreeing to revise the recently agreed to Amended Indigent Care Agreement so that: a) the District shall receive credit for the entire \$196,669.36 annual payment for healthcare services that was scheduled to be paid in monthly payments of \$16,389.11; and b) to establish that the remaining \$253,330.00 in operational assistance subject to the request be repaid to the District by December 31, 2020 or the District will receive credit of \$253,330.00 towards the 2021 Indigent Care payment.

Thereafter, Attorney Oxford and Mr. Portner reviewed the proposed agreement and discussed the minor changes requested by Mr. Portner to reflect that the money was paid, not donated in several bullet points found in the sixth (6th) paragraph of the recitals. Attorney Oxford agreed to these changes except for one instance.

Lastly, Attorney Oxford reminded the Board that the First Amended Indigent Care Agreement was approved during the February 19, 2020 Regular Meeting but the Agreement was never signed. Therefore, he recommended that if the Board approved this version of the First Amended Indigent Care Agreement, the Board would need to rescind the motion for Agenda Item 11 and then re-adopt a second motion to approve this version of the Agreement.

After the discussion of the Agenda Item, Director Way made a motion, that was seconded by Director Stramecki and the unanimous approval of all the Board members present, to rescind the Board's prior approval of the First Amended Indigent Care Agreement that was approved during the discussion of Agenda Item No. 11 at the February 19, 2020 Regular Meeting and adopt the revised First Amended Indigent Care Agreement set forth in "**Exhibit A**" as the approved version of the Agreement for the President to sign.

5. Discuss and take-action, if necessary, on considering request by Hospital to submit a 2020 Rural Health Facility Capital Improvement Program (CIP) Application Grant form on behalf of Winnie Community Hospital dba Riceland Medical Center.

President Murrell reported to the Board that the Hospital is requesting that the District file an application on the Hospital's behalf for the 2020 Rural Health Facility Capital Improvement Program Grant ("Grant") that was administered by the Texas Department of Agriculture. He then explained the Grant details, which were as follows:

- The Grant was a matching grant based on a 75/25 percent contribution
- The maximum Grant award was \$75,000.00.
- The Grant was for Hospitals owned by political subdivisions or non-profit corporations, but the District was advised by the State of Texas that the District could apply for the Grant on behalf of the Hospital by establishing that the District was "closely connected" to the Hospital.
- Grant proceeds were to be spent on capital improvements or equipment over \$5,000.00.
- If the District applied for the Grant, the Grant request would need to be for \$93,750.00 in order to be eligible for the maximum matching share by the State.
- If approved for the Grant, Proof of expenditures must be submitted to the State by June 30, 2021 in order to be reimbursed for the 75% matching funds.

(See **Exhibit "B"**).

After establishing the Grant parameters, President Murrell recommended that the District apply for the Grant on the Hospital's behalf and pay the 25% matching

funds to receive the maximum Grant amount of \$75,000.00 (i.e., \$93,750.00 that includes \$18,750.00 by the District) after proof of the expenses were submitted to the State and *subject to* a review and approval by the Finance Committee of 1) equipment to be purchased with the Grant funds; and 2) verification that the Hospital's financial declaration in the Grant were consistent with the Hospital's financial statements. Therefore, if the Board agreed, President Murrell asked the Finance Committee and the District's CPA to meet with Hospital personnel before April 9, 2020 to review the application and the Hospital's financials that were included as part of the application.

The Board concurred and a motion was made by Director Stramecki to file for the 2020 Rural Health Facility Capital Improvement Program Grant on the Hospital's behalf for up to \$93,750.00 in reimbursable equipment and to pay the 25% matching funds *subject to* the approval by the Finance Committee of the equipment to be included in the grant and verification that the financial figures made a part of the grant were consistent with the Hospital's financial statements. Director Stramecki's motion was seconded by Director Way, and unanimously approved by all the Board members present.

6. Discuss and take-action, if necessary, on approving request by HMG to participate in a Coronavirus incentive program through the various District facilities. Discuss and take-action on Committee Reports:

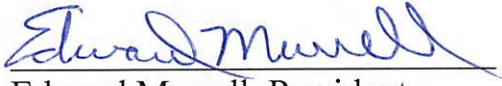
Attorney Oxford informed the Board that he was approached by HMG to participate in the Not on My Watch Program created by HMG to pay up to \$500.00 to each employee of a nursing home owned by the District if there were no diagnoses of the Covid-19 virus ("Coronavirus") until May 31, 2020 and \$250.00 per employee if there were less than five (5) diagnosis until this date per facility. Attorney Oxford also explained that HMG was also offering this Program to each of the nursing facilities that they own individually without managers involvement, and those facilities managed by other entities. Likewise, HMG asked the Landlord's for eight (8) of the District's facilities to participate. (*See Exhibit "C"*).

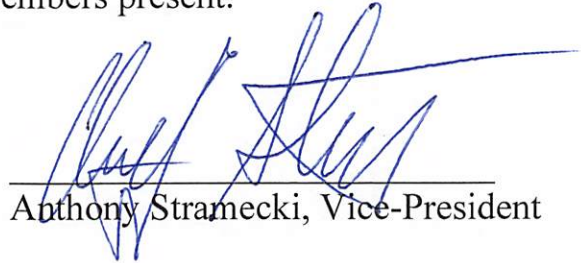
Thus, according to the formula proposed by HMG, the District, landlord, and HMG would pay 1/3rd per party for eight (8) of the District's facilities and the District and HMG would split the payment for the remaining four (4) facilities. Altogether, there were 1,073 employees and if all the District's facilities avoided a

diagnosis of the virus through May 31, 2020, the District's maximum exposure would be \$209,416.67. (See **Exhibit "C"**).

After some consideration of the request, and in support of HMG for all their efforts to be a good partner, Director Stramecki made a motion to participate in the "Not on My Watch Program proposed by HMG for the District's twelve (12) nursing facilities managed by HMG up to a maximum amount of \$209,416.67. This motion was seconded by Director Way with the unanimous consent of all the Board members present.

President Murrell then called for any other such matters before the Board. There being none, President Murrell told the Board that the District's next meeting was on April 15, 2020, at 6:00 p.m. at the District's temporary offices located at 310 SH 124, Winnie Tx 77665. Thereafter, at 10:17 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President