

MINUTES FOR THE REGULAR 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 6:00 p.m., February 24, 2021 at the District’s Offices located at 520 Broadway, Winnie, Texas 77665, (a copy of said Notice being placed amongst the files of the District).

This meeting was held via videoconference to mitigate the spread of COVID-19. The meeting was duly posted pursuant to Texas Government Code 551.127 as modified by the December 6, 2020 Proclamation of Governor Abbott in which the Governor acted to maintain government transparency and continued government operations while reducing face-to-face contact for government open meetings. In addition, members of the public were able to participate and address the Board during the videoconference meeting and a recording of the meeting was made and is available to the public.

1. Call the Meeting to Order

At approximately 6:06 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
Kacey Vratis	Director

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

Mrs. Sherrie Norris	Administrator
Mrs. Patricia Ojeda	Indigent Care Director
Mr. David Sticker	District CPA

Mr. Hubert Oxford, IV	General Counsel for the District
Mr. Mo Danishmund	Chief Financial Officer, Hospital
Mr. Saad Javed	Co-Chief Operating Officer, Hospital
Mr. Chris Portner	General Counsel, Riceland Hospital

2. Pledge of Allegiance

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.

3. Public Comment

President Murrell asked for Public Comment but there was none.

4. Review and Approve Minutes of Previous Meeting(s): January 20, 2021.

President Murrell then called on the Board to address Agenda Item No. 5, to review and approve the minutes of January 20, 2021 Regular Meeting. The minutes were examined by the Board and no changes were recommended.

Upon motion by Director Stramecki, which was seconded by Director Rollo, and the unanimous consent of all the Board members present, the Board approved the minutes of the January 20, 2021 Regular Meeting.

5. Review and approve financials report; payment of invoices; receive Accountants report, and amend budget, if necessary.

President Murrell then called on Mr. David Sticker to present the District’s year to date Balance Sheet and Profit & Loss Budget vs. Actual for January 2021. (See Exhibit “A-1”). Mr. Sticker quickly went through the balance sheet and budget following the recent budget amendments and told the Board that he believes the District’s financials are in good shape. Mr. Sticker also advised that prior to the meeting, he worked with the District’s Administrator to reconcile all the District’s bank accounts.

Upon the conclusion of Mr. Sticker’s presentation of the financial statement and budget amendments, Attorney Oxford was called on to discuss the Treasurer’s Report, check register, and outstanding invoices to be considered. (See Exhibit “A-2”). First, Attorney Oxford asked the Board to review the invoices to be paid. These invoices totaled \$25,504.43. A list of the invoices paid were as follows:

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$2,300.33
Wilcox Pharmacy	Indigent Care	\$1,372.09
UTMB at Galveston	Indigent Care	\$1,776.32
UTMB Faculty Group	Indigent Care	\$738.59
Alliance Medical Svcs	Indigent Care	\$140.00
Indigent Healthcare Solutions	IC Inv #71298	\$1,109.00
American Education Services	S Stem-Student Loan	\$150.14
Penelope (Polly) Butler	Youth Counseling	\$170.00
Nicki Holtzman	Youth Counseling	\$340.00
Benckenstein & Oxford	Inv #50020 (Nov 2020)	\$12,766.26
Hubert Oxford	Legal Retainer	\$1,000.00
David Sticker	Inv #45	\$1,718.75
Technology Solutions of Tx	Inv 1529 (IT Services)	\$75.00
Function 4	Inv #83795 (5 Cases paper)	\$169.95
The Seabreeze Beacon	Inv #4980	\$300.00
The Hometown Press	Inv #2865	\$240.00
Felipe Ojedia-Yard Service	Inv #1009	\$300.00
Graciela Chavez-Office Cleaning	Inv #8018593	\$100.00
Riceland Medical Center	Property Lease	\$340.00
Texas Mutual	Workers Comp Ins	\$398.00
Total Pending Expenses		\$25,504.43

Once the Board completed the review of the invoices, Attorney Oxford referred the Board to the First Financial & Interbank Account Reconciliation of the report. According to Attorney Oxford, together, the District had \$12,427,423.73 in the accounts with the unrestricted funds accounting for \$3,137,132.91 of the total funds. Turning to Fund Summary section and the total liquid funds available as of the meeting, per Attorney Oxford, the District’s net cash position was \$5,146,331.45.

At the end of the discussion, the Board was asked if they had any additional questions or comments. Since there were none, Director Stramecki made a motion, that was seconded by Director Rollo, with the unanimous consent of the Board members present to: a) approve the financials for January 2021; b) adopt the Treasurer's Reports; and c) pay the invoices presented. (See Exhibits "A-1" and "A-2").

6. Discuss and take-action on Committee Reports:

No Committee had a report to discuss but the Indigent Care Committee did meet to make a recommendation during the discussion of Agenda Item 11 below.

7. Receive reports, by:

a. Administrator's Report

Mrs. Norris reported that she had interviewed three (3) people for the position of the part-time assistant and had four (4) candidates to interview. Once she completed the interviews, she hoped to hire someone shortly thereafter so that she and Mrs. Ojeda can get some help.

b. District Indigent Care Director Report

Mrs. Ojeda reported that in January 2021, four (4) additional clients were added to the District's indigent care program, which brought the total to forty-three (43) indigent clients. Mrs. Ojeda then moved to her monthly reports and provided the Board with a summary of the reports set forth below. (See Exhibit "B").

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Indigent Clients:	January	Year to Date	
Youth Counseling:	Indigent Clients: 43	Clients Enrolled: 43	43
	Youth Counseling: 5	YC Enrolled: 5	5

PROVIDER TOTALS WITH SERVICE BREAKDOWN	Billed Amount	Contracted Rate	Actually Paid	Billed Amount	Contracted Rate	Actually Paid
Pharmacy						
Brookshire Brothers Pharmacy Corp	\$1,383.82	\$1,372.09	\$1,372.09	\$1,383.82	\$1,372.09	\$1,372.09
Wilcox Pharmacy	\$2,387.53	\$2,300.33	\$2,300.33	\$2,387.53	\$2,300.33	\$2,300.33
Pharmacy Totals	\$3,771.35	\$3,672.42	\$3,672.42	\$3,771.35	\$3,672.42	\$3,672.42

Winnie Community Hospital						
WCH Clinic	\$4,298.00	\$1,762.18	\$1,762.18	\$4,298.00	\$1,762.18	\$1,762.18
WCH Observation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WCH ER	\$9,520.00	\$3,903.20	\$3,903.20	\$9,520.00	\$3,903.20	\$3,903.20
WCH Lab/Xray	\$6,276.00	\$2,573.16	\$2,573.16	\$6,276.00	\$2,573.16	\$2,573.16
WCH CT Scan	\$12,707.00	\$5,209.87	\$5,209.87	\$12,707.00	\$5,209.87	\$5,209.87
WCH Labs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WCH Xray (MRI)	\$19,363.00	\$7,938.83	\$7,938.83	\$19,363.00	\$7,938.83	\$7,938.83
WCH Lab/Xray Reading	\$1,827.00	\$749.07	\$749.07	\$1,827.00	\$749.07	\$749.07
WCH Inpatient	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
WCH Physical Therapy	\$2,732.00	\$1,120.12	\$1,120.12	\$2,732.00	\$1,120.12	\$1,120.12
WCH Ultrasound	\$2,928.00	\$1,200.48	\$1,200.48	\$2,928.00	\$1,200.48	\$1,200.48
WCH Totals	\$59,651.00	\$24,456.91	\$24,456.91	\$59,651.00	\$24,456.91	\$24,456.91
Balance on Contracted Amount (Lump Sum Payment of \$225,810.35)		\$201,353.44			\$201,353.44	
Actual Medicaid Rate Incurred		\$8,551.37		\$225,810.35 -	\$8,551.37	\$217,258.98

UTMB						
UTMB Physician Services	\$1,240.00	\$194.20	\$194.20	\$1,240.00	\$194.20	\$194.20
UTMB Anesthesia	\$854.00	\$544.39	\$544.39	\$854.00	\$544.39	\$544.39
UTMB In-Patient	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTMB Outpatient	\$7,401.37	\$1,776.32	\$1,776.32	\$7,401.37	\$1,776.32	\$1,776.32
UTMB Lab&Xray	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UTMB Totals	\$9,495.37	\$2,514.91	\$2,514.91	\$9,495.37	\$2,514.91	\$2,514.91

Non-Contracted Services						
Barrier Reef (UTMB ER Physician)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chambers Co Public Hosp Distr ER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Winnie-Stowell EMS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-Contract Services Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Youth Counseling						
Nicki Holtzman	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00	\$340.00
Penelope Butler	\$170.00	\$170.00	\$170.00	\$170.00	\$170.00	\$170.00
Youth Counseling Totals	\$510.00	\$510.00	\$510.00	\$510.00	\$510.00	\$510.00

After discussing various high points from the summary, Mrs. Ojeda, referred the Board to her other reports provided in the Board Binder. She then advised the Board that the bulk of her report would be discussed during Agenda Item No. 11.

c. District General Counsel Report

Attorney Oxford did not have anything discuss other than matters involving specific agenda items left in the meeting and would reserve his comments as the agenda items were addressed.

d. LTC Report

The LTC submitted a report for the Board to review. After a review of the report, the Board had no questions. (See Exhibit “C”).

e. Hospital Report

Mr. Saad Javid gave the Hospital’s report for January 2021 and started the report by highlighting the monthly statistics. A copy of the report is set forth below and attached as Exhibit “D”.

Census	Dec. 2020	2020 Average	Jan 2021	Texas Average
ER Visits	168	174	167	
Conversion to Inpatient/observation	11	13	16	
<i>Percentage</i>	7%	7%	10%	
Transferred out	12	12	7	
<i>Percentage</i>	7%	7%	4%	
ER shifts covered by doctors	52%	65%	74%	
Average Inpatient days per day	8.29	3.75	167.00	
Average Hospice days per day	0.00	0.17	0	
Average Swingbed days per day	3.84	1.54	0	
Average Observation days per day	0.84	0.76	31.00	
Total All Inpt. Days			198.00	
Average All Inpt. days per day	12.97	6.23	198	1.63
CTs	60	57	66.00	
Xrays	305	228	248	
Ultrasounds	26	16	30	
Encounters - Adult Clinic	447	479	409	
Encounters - Pediatric Clinic	190	209	226	
Behavioral Health patients	0	11	0	
Physical Therapy	0	0	1	

In addition, Mr. Javed reported that the Hospital has performed 1,300 Covid test and has vaccinated approximately 2,000 individuals. Thereafter, the Board inquired about reimbursements by the federal government for the cost to administer the shots. According to the Hospital representatives, they are incurring substantial personnel cost and cost for the supplies and do not expect to be reimbursed by the federal government for the costs. In response, the Hospital representatives were asked to: a) find out about the reimbursements; b) prepare a grant request and budget for cost incurred and to be incurred for providing the vaccines at the Hospital; and c) discuss the grant application with the Finance Committee prior to the next meeting so that a grant request could be considered during the Regular Meeting in March 2021.

8. Discuss and take-action, if necessary, to engage auditor to perform the 2020 Audit.

Attorney Oxford informed the Board that he exchanged e-mails and a phone call with Mr. Tommy Davis, auditor, who advised that he would have an engagement letter at the next meeting. Mr. Davis explained to Attorney Oxford the reason for the delay was because in the 2020 audit, the District was required to perform a single source audit of the Covid-19 payments made to the nursing homes through the CAREs Act and his office was evaluating the estimated cost for the additional work. Specifically, the purpose of the single source audit was to make sure the funds received through the CARE's Act funds were spent correctly.

Therefore, Attorney Oxford requested that this agenda item be tabled until the next meeting. The Board concurred and then Director Stramecki made a motion to table Agenda Item No. 8. Director Vratiss seconded the motion and it was unanimously approved by the Board members present.

9. Discuss and take-action, if necessary, to:

- a. Ratify and approve the HUD Loan application for HUD Loan transaction between Merchants Bank of Indiana and HMG Park Manor of Deerbrook, LLC; HMG Park Manor of Southbelt, LLC; HMG Park Manor of Tomball, LLC; and HMG Park Manor of The Woodlands, LLC ("Facilities); and**

b. To authorize the President and Treasurer, if necessary, to execute Secretary Certificates for Merchants Bank of Indiana and CIBC Bank USA and agreements, subject to the Attorney's approval, necessary to complete:

- 1) The HUD Loan transaction between Merchants Bank of Indiana and the Facilities; and**
- 2) Agreements required by CIBC Bank USA, as the Accounts Receivable lender, for the Facilities.**

Attorney Oxford presented the agenda item by explaining to the Board that the landlords for four (4) of the District's facilities Managed by HMG, HMG Park Manor of Deerbrook, LLC; HMG Park Manor of Southbelt, LLC; HMG Park Manor of Tomball, LLC; and HMG Park Manor of The Woodlands, LLC ("Facilities"), were preparing to go through the HUD loan process . He then explained that before the process could be initiated, the Facilities needed the District's approve the loan applications. In addition, Attorney Oxford presented the Board with a Resolution consenting to the transactions and asked that resolution be approved and executed. (*See Exhibit "E"*).

Looking forward, Attorney Oxford asked the Board to give the President, or in the absence of the President, the Vice President, and/or Secretary authority to execute agreements as well as Secretary Certificates ("Certificates") required by CIBC Bank USA, accounts receivable lender, and Merchants of Indiana and/or Merchants Capital Corporation, Lender, to close the proposed HUD loans for the Facilities.

Following an explanation of the documents needed for the upcoming HUD Loan, Director Stramecki made a motion to:

1. Ratify and approve the HUD Loan application for HUD Loan transaction between Merchants Bank of Indiana and/or Merchants Capital Corporation and HMG Park Manor of Deerbrook, LLC; HMG Park Manor of Southbelt, LLC; HMG Park Manor of Tomball, LLC; and HMG Park Manor of The Woodlands, LLC ("Facilities);

2. To authorize the President and Treasurer to execute the Consent Resolution set forth in **Exhibit “E”** to ratify the Board’s decision to authorize the HUD Loan applications for the Facilities; and
3. To authorize the President, or in the President’s absence, the Vice President, and Secretary to execute agreements and Secretary Certificates for Merchants Bank of Indiana and/or Merchants Capital Corporation; and CIBC Bank USA necessary to facilitate the underlying HUD loan.

This motion as seconded by Director Vratiss and unanimously approved by all the Director’s present.

10. Discuss and take-action, if necessary, on approving grant request by Winnie Community Hospital for a generator to operate the hospital’s HVAC system during power outages.

The Board then asked the Hospital if they received additional bids necessary to decide on the acquisition of a generator to operate the Hospital’s HVAC system. Unfortunately, the Board was advised that the additional bids have not been received. President Murrell then emphasized the importance of getting a generator ordered and installed because Hurricane season was just around the corner. The remaining Board members present agreed and given the urgency of the matter, discussed authorizing the Finance Committee to negotiate the terms of the Hospital’s purchase and ownership of a generator after receiving three (3) bids for the same scope of services and equipment. Director Stramecki, member of the Finance Committee, agreed and if authorized, he would work with Director Way, to finalize and approve the purchase and installation of a generator sufficient to operate the Hospital’s HVAC system.

After completing the discussion on this agenda item, a motion was made by Director Stramecki to authorize the purchase of a generator to operate the Hospital’s HVAC system subject to the following: 1) the receipt of proposals by two (2) additional vendors for the complete installation of the generator; and 2) the approval by the Finance Committee of a complete grant request by the Hospital. This motion

was seconded by Director Vratis and unanimously approved by all the Directors present.

11. Discuss and take-action, if necessary, on recommendations by the Indigent Care Committee to enter into agreements with an optometrist, ophthalmologist, and the Anahuac Clinic to provide dental care.

President Murrell then called on the Indigent Care Committee and the Indigent Care Director to discuss additional dental and vision benefits for the District's Indigent. Speaking for the group was Mrs. Ojeda, who first informed the Board that she has tentatively reached agreements with the Chambers Health FQHC to provide the District's indigent clients with dental care ("dental benefits). Per Mrs. Ojeda, after talking to staff at the FQHC, she recommended a cap of \$1,200.00 per year. Secondly, Mrs. Ojeda reported that she also reached an agreement, subject the Board's approval, with Baytown Optical to optometrist and ophthalmologist services. Specially, Baytown Optical agreed to provide eye exams for \$60.00, regular glasses for \$25.00, and bifocals for \$50.00 ("vision benefits"). The Board then discussed the need for agreements with each vendor and an allowance (i.e., cap) of \$1,350.00 per year for each client to receive one, or both, of the new services. Director Stramecki clarified that the year to date for the services needed to run parallel with the District's fiscal year of January to December.

Thereafter, Director Stramecki to authorize staff to: 1) execute an Interlocal Agreement with Chambers Health for pre-approved dental services and a healthcare agreement with Baytown Optical to provide eye exams and glasses; and 2) to establish an allowance of \$1,350.00 per District fiscal year for each indigent client receive dental and vision benefits. This motion was seconded by Director Vratis and unanimously approved by all the Directors present.

12. Discuss and take-action, if necessary, on adopting an indigent care payment amount pursuant to the Indigent Care Agreement with the Winnie Community Hospital/Riceland Hospital.

Because of Director's Way's interest in the agenda item and his absence, President Murrell asked the Board to table this agenda item until the March 2021


meeting. The Board agreed, then a motion was made by Director Stramecki to table the request until the March 2021 Regular Meeting. This motion was seconded by Director Vratis and unanimously approved by all the Directors present.

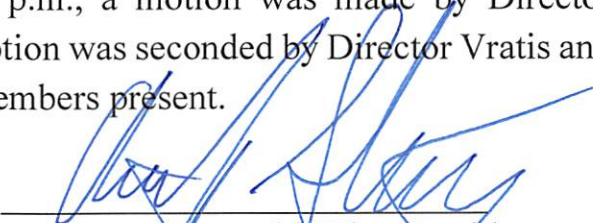
13. Discuss and take-action, if necessary, on approving intergovernmental transfer for DY5 withheld Uncompensated Care Payment on behalf of the Winnie Community Hospital.

Staff informed the Board that the District recently received notice of an upcoming IGT for the DY 5 Uncompensated Care year to pay withheld funds. (See **Exhibit “F”**). According to Staff, the amount of the IGT on behalf of the Hospital, was \$191.60, and the return was \$446.91. If the Board agreed to make the IGT, the last day to submit the funds for payment was March 2, 2021. Because of the unexpected increased in the IGT in the past, Attorney Oxford suggested authorizing staff to make an IGT of up to \$2500.00.

The Board concurred. Thereafter, Director Stramecki made a motion to authorize staff the make an IGT for up to \$250.00 so that the Hospital may receive DY 5 Withheld Funds. This motion was seconded by Director Rollo and unanimously approved by all the Directors present.

President Murrell then called for any other such matters before the Board. There being none, the Board discussed the date for the upcoming meeting, and it was agreed to hold the next Regular Meeting on March 24, 2021, rather than March 17, 2021 at 6:00 p.m. Afterwards, at 8:06 p.m., a motion was made by Director Stramecki to adjourn the meeting. This motion was seconded by Director Vratis and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President