

## **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 6:15 p.m., June 21, 2023 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). An electronic copy of this meeting is available upon request.

At approximately 6:15 p.m., the meeting was convened, and roll was called off 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, 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
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District CPA
Ms. Kaley Smith	Coastal Gateway Health Center
Dr. Robert Lyons	Coastal Gateway Health Center
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Mr. Saad Javed	Winnie Community Hospital
Ms. Gloria Roemer	The Seabreeze Beacon

#### **4. Public Comment**

President Murrell called on those present at the meeting to make any public comment but there were none.

#### **5. Review and minutes of the May 22, 2023 Regular Meeting.**

President Murrell then called on the Board to return and to review and approve the minutes from the May 22, 2023 Regular Meeting. Attorney Oxford reminded the Board that the meeting was originally scheduled for May 17, 2023 but had to be rescheduled to May 22, 2023. The Board then reviewed the minutes and did not have changes.

Consequently, Director Stramecki made a motion to approve the minutes from the May 22, 2023 Regular Meeting. This motion was seconded by Director Vratis, and unanimously approved by all the Directors present.

#### **6. Review and approve Accountant's report and financials report for monthly payment of invoices; and adopt any budget amendments, if necessary.**

Following the review and approval of the Minutes, President Murrell called on Mrs. MaKayla Vidal, the District's CPA, to present the financial reports for May 2023. (*See Exhibit "A-1"*). According to Mrs. Vidal, the financials for May were in order and she was going to start preparing budget amendments but was still waiting on decisions by various managers on whether they were going to transfer their facilities to the District.

Upon the completion of financials for May 2023, both Attorney Oxford and Mrs. Vidal presented the Treasurer's Report. (*See Exhibit "A-2"*). Per Attorney Oxford, this month, he worked with Mrs. Vidal to prepare the report because the two were attempting to shift responsibility for the report to Mrs. Vidal. Nevertheless, according to the two, the total invoices presented at the meeting amounted to \$168,116.64. Attorney Oxford then highlighted the payment for \$65,570.11 to Coastal Gateway Health Clinic ("Coastal Gateway" or "Clinic") and advised the Board that with this payment, the District will have spent 50.66% of the budgeted grant funds for the clinic this year. In addition, Attorney Oxford referred the Board Members to the invoices for Vaughn's Air Conditioning and AEJ Construction for work performed on the clinic. Lastly, Attorney Oxford referred the Board to the invoice for J.S. Edwards & Sherlock for \$8,934.37. Per Attorney Oxford, this

invoice was for the current year's liability, flood, and wind insurance for the Highway 124 property. He then stated that the amount invoiced for the current year was slightly less than the previous year because the deductibles increased, which reduces the premiums. A complete list of the invoices to be paid is as follows:

Pending Expenses	For	Amount
Indigent Healthcare Solutions	Inv #75950	\$1,109.00
Brookshire Brothers	Indigent Care	2413.52
Wilcox Pharmacy	Indigent Care	\$2,322.61
UTMB at Galveston	Indigent Care	\$3,623.40
UTMB Faculty Group	Indigent Care	\$1,841.16
Thompson Outpatient Clinic	Indigent Care	\$1,912.02
Alliance Medical Services	Indigent Care	\$650.00
Barrier Reef EM Phy	Indigent Care	\$101.00
Chambers Cty PHD ER	Indigent Care	\$101.00
Texas Digestive Disease Conslt	Indigent Care	147.47
City Ambulance Service	Indigent Care	633.35
Dr June Stansky, Optometrist	SP Program	\$300.00
\$25 Optical	SP Program	\$100.00
Omnipoint Health-Dental	SP Program	\$492.00
Penelope (Polly) Butler	Youth Counseling	\$170.00
Nicki Holtzman	Youth Counseling	\$510.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$680.00
Technology Solutions of Tx	Inv #1781	\$75.00
Felipe Ojedia-Yard Service	Inv #1038	\$350.00
Graciela Chavez-Office Cleaning	Inv #965959	\$120.00
Benckenstein & Oxford	Inv # 50817	\$29,317.99
Hubert Oxford	Legal Retainer	\$1,000.00
Makayla Vidal	Inv #00020	\$6,212.50
American Education Services	S Stern-Student Loan	\$150.14
WSVEMS	Grant Inv (May 2023 Payroll)	\$11,904.00
Coastal Gateway	Grant June 2023 Request	\$65,570.11
Function4	Inv #1037935 (copy paper)	\$260.00
Dentons US LLP	Inv #2641791	\$8,466.00
JS Edwards	Policy #427590175345S00	8934.37
Vaughn's AC (balance due on completion)	Inv #WO-0259	\$15,000.00
AEJ Construction	Inv #6387 & Change Order	\$3,650.00
<b>Total Pending Expenses:</b>		<b>\$168,116.64</b>

Next, Attorney Oxford referred the Board to the Funds Summary section of the Treasurer's report, which is set forth below.

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$431,707.09
First Financial DACA (Unrestricted)	\$9,546,970.94
First Financial DACA (Restricted)	\$8,847,962.23
First Financial Money Market (Restricted)	\$13,974,201.35
TexStar (Restricted)	\$714,606.50
FFB CD Balance	\$8,200,000.00
Total District Funds	<b>\$41,715,448.11</b>
Less First Financial (Restricted)	<b>(\$8,847,962.23)</b>
Less TexStar Reserve Account	<b>(\$714,606.50)</b>
Less LOC Outstanding	\$0.00
Less First Financial Money Market (Restricted)	<b>(\$13,974,201.35)</b>
Less Committed Funds ( <i>See Total Commitment</i> )	<b>(\$450,991.25)</b>
Cash Position ( <i>Less First Financial Restricted</i> )	<b>\$17,727,686.78</b>
Pending Expenses	<b>(\$168,116.64)</b>
Ending Balance ( <i>Cash Position-Pending Expenses</i> )	<b>\$17,559,570.14</b>
Total Funds ( <i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i> )	<b>\$22,748,861.41</b>

Per Attorney Oxford and Mrs. Vidal, they reviewed the formulas for this portion of the report and found an error in the Total Funds formula that they fixed. Otherwise, the two noted that the Total funds increased by roughly \$2,000,000.00. Mrs. Vidal then noted that this increase is consistent with the receipt of the District's share of the Quality Improvement Payment Program ("QIPP") Year 6, Component 3, 4, and lapsing funds for Quarter 2.

Lastly, Attorney Oxford referred the Board to the Check Register and other supporting financial information found in **Exhibit "A-3"**.

President Murrell then called for a motion to approve the financials, Treasurer's Report, and payment of invoices. In response, Director Stramecki made a motion, which was seconded by Director Way, and with unanimous approval of the Board Members to approve: a) the May 2023 financials; b) the Treasurer's Report; c) pay the outstanding invoices; and d) approve the Check Register. (*See Exhibit "A-1", "A-2", and "A-3"*).

**7. Discuss and take-action on Committee Reports: a) Finance Committee; b) Indigent Healthcare Committee; c) Personnel Committee; and d) Hospital Liaison.**

Next, President Murrell asked the Committees if there were any reports. In response, Director Vratis asked if she could give a report on the Hospital. According to Director Vratis, she wanted to update the Board and Hospital representatives at the meeting that she had received two calls regarding payroll problems with

employees at the Hospital and poor customer service from the lady sitting at the front desk.

In response, Mr. Danishmund explained that they Hospital switched their payroll system to a national payroll company, but the new vendor was not able to timely organize the Hospital's system which resulted in some employees being overpaid or underpaid. As a result, the Hospital returned to the previous payroll system administrator.

After a competition of the issues raised by Director Vratis, President Murrell called on the other Committee to provide reports but there were none.

**8. Receive reports, by:**

**a. Administrator's Report**

Mrs. Norris informed the Board that she had nothing to report that was not already on the agenda.

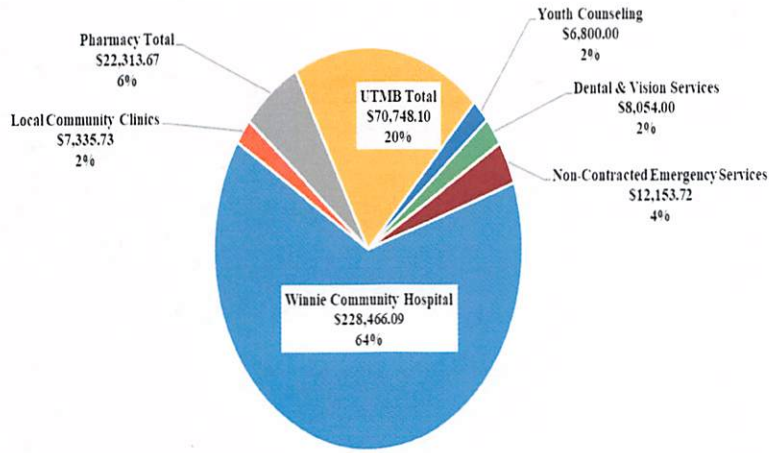
**b. District Indigent Care Director Report**

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in May 2023, and this month, there were one hundred and five (105) indigent clients enrolled in the District's Indigent Care Program, which is the same as April 2023. Likewise, the number of children who received youth counseling in May remained at twenty-five (25). In addition, in May, the District provided dental benefits to five (5) clients and three (3) clients utilized the vision benefits. (*See Exhibit "B"*).

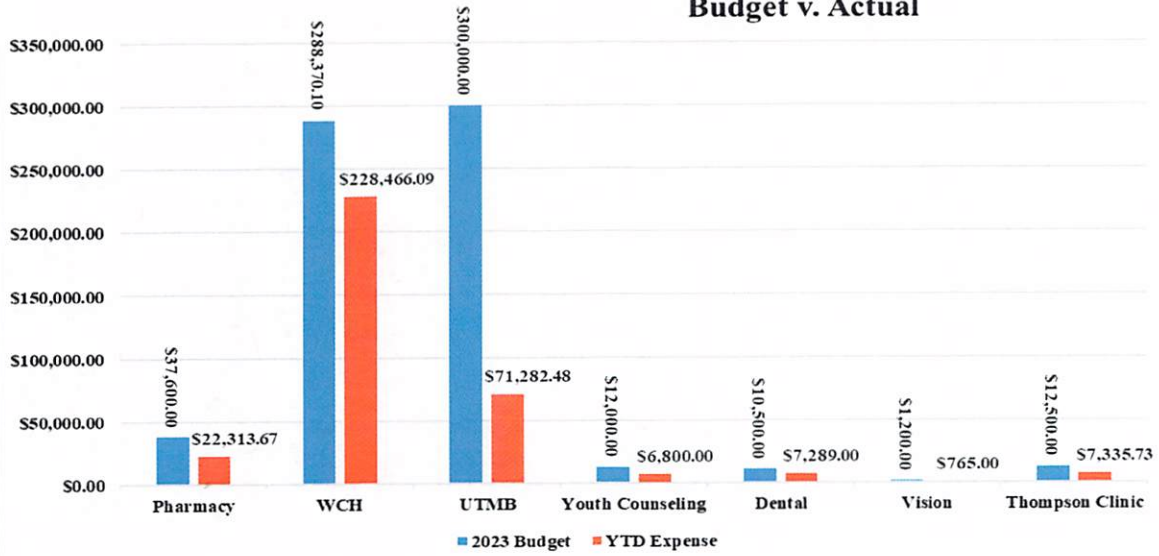
Mrs. Ojeda then went through a series of reports and graphs relating to indigent cost incurred year to date, indigent care budget comparisons, and Winnie Community Hospital indigent care incurred expenses. Summaries are as follows:

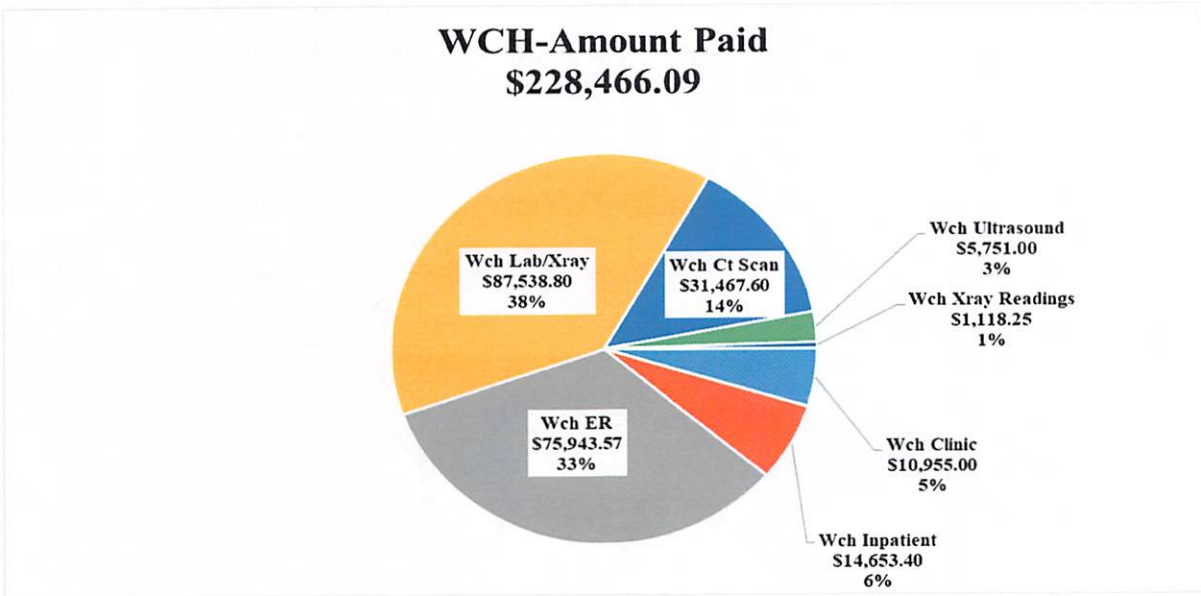


**Year To Date Payments Incurred: \$356,951.31**



**Indigent Care Cost:  
Budget v. Actual**





Thereafter, Mrs. Ojeda presented reports on the County Van, Marcelous Williams, and the Winnie Stowell Emergency Medical Services (“WSEMS”). A summary of activity for May 2023 is as follows:

District Program	District Indigent Clients	Residents Served
County Van	4	79
Marcelous Williams	18	20
	<b>Transports by WSVEMS</b>	<b>Transports From Riceland</b>
WSEMS Transport Van	6	7

Turning to the Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS”) report, Mrs. Ojeda reviewed their monthly report for May 2023 and as with the previous months’ reports, Mrs. Ojeda reported that WSVEMS statistics did not appear to be correct and were not consistent within the report used by the WSVEMS, which was not the correct report provided by the District. In addition, Mrs. Ojeda informed the Board that the WSVEMS reported that they made seven (7) transports in May but only made six (6) transports and one (1) call had to be re-assigned. Year to date, Mrs. Ojeda stated that according to the WSVEMS reports, they made approximately 51% of the transport calls. Regarding the District’s June 14, 2023 deadline, Mrs. Ojeda informed the Board that WSVEMS failed to provide information for five (5) of the six (6) demands that were due on June 14, 2023 as summarized below.

**December 14, 2022 Six Month Requests:**

a.	The WSVEMS will enter into an agreement with Hospital to provide transport services on an expedited basis; or provide proof that the WSVEMS has made a good faith attempt to secure an agreement.	YES	The contract was finalized the end of February or the beginning of March.
b.	The District's funds shall not be used for overtime.	NO	There was no documentation provided that the District's funds were not used for overtime.
c.	WSVESM shall implement a payment system for employees as required by the grant agreement.	NO	There was no documentation provided that the WSVESM has implemented a payment system for employees as required by the grant agreement.
d.	The WSVEMS shall operate on a fully staffed basis (i.e., three employees) separate and apart from the transport ambulance staff so as to ensure that the District's funds were being used to only pay for the transport ambulance staff as required in grant agreement.	NO	There was no documentation provided that the WSVEMS has operated on a fully staffed basis (i.e., three employees) separate and apart from the transport ambulance staff.
e.	The WSVEMS agrees to provide proof that they were billing timely for the transport ambulance because the WSVEMS's current collection rate was only twenty-one percent (21%).	NO	There was no documentation provided that the WSEMS is billing timely for the transport ambulance.
f.	The WSVEMS shall timely provide completed reports without the District's staff having to assist with preparing the reports.	NO	The District's staff did not assist in completing the WSEMS Monthly report, but the report also was not completed accurately in all areas.

Lastly, Mrs. Ojeda told the Board that after much consideration and discussions with her family, she has decided to retire in December 2023. However, Mrs. Ojeda assured the Board that she would not leave her position until a suitable replacement for her had been hired and trained. The Board responded with regret and assured Mrs. Ojeda she would be difficult to replace. In fact, the Board asked Mrs. Ojeda to consider adopting a non-traditional work schedule whereby she could work from home on Monday and Friday and keep regular office hours on Tuesday, Wednesday, and Thursday. Mrs. Ojeda stated that she would be willing to consider such a schedule if it worked for the District.

For additional details of the information prepared by the Indigent Care Director, Mrs. Ojeda referred the Board to the remainder of **Exhibit "B"** and asked that the Board Members contact her with any questions once they have had a chance to review them in more detail.

**c. District General Counsel Report**

Attorney Oxford advised the Board that he had been working with Caring Healthcare and Healthmark ("HMG") on transferring their facilities not owned by the District to the District. In summary, Caring initially committed to transferring seven (7) facilities and HMG committed to transferring four (4) facilities. Attorney Oxford reported that HMG recently became concerned about the transfers because of the cost of the Change of Ownership ("CHOW") and Caring has advised that they could only transfer two (2) facilities prior to September 1, 2023. In response, Attorney Oxford informed the Board that he reminded HMG of their agreement to



transfer in exchange for HMG keeping the QIPP Year 5 funds for the Mission and Red Oak facilities. As for the Caring Healthcare facilities, the two (2) facilities they intended to initially transfer in September were not previously enrolled in the QIPP program and as such, Caring intended to share the QIPP payments received for time period the facilities were not enrolled in the program. Furthermore, Caring advised that Caring informed Attorney Oxford that it was their intention to transfer the remaining five (5) facilities to the District in QIPP Year 7. Per Attorney Oxford, the reason for the change in plans by Caring was because of the workload involved in a CHOW and they were currently in the process of completing the CHOW for Spring Branch.

#### **d. Coastal Gateway Report**

Turning to the Coastal Gateway report, Ms. Kaley Smith, Coastal Gateway's ("Health Center") Chief Executive Officer, and Dr. Robert Lyons presented the Coastal Gateway's ("Clinic") monthly report and informed the Board of the following:

- **Signage.** Ms. Smith reached out to three (3) companies to obtain bids for different options for the exterior signage, including monument signs and pole signs, but lighted and non-lighted signs. Will possibly have bids to present at next week's meeting.
- **Landscaping.** In addition, Ms. Smith began to reach out to companies to bid on project.
- **Alarm companies.** Likewise, Mrs. Smith has received bids from several alarm companies and is currently comparing the details to ensure the Clinic was comparing pricing on an apples-to-apples basis. Included in the services being considered are badge access door systems and security cameras.
- **Training.** Training for the Clinic's electronic medical record programs is scheduled for the week of July 17<sup>th</sup>, 2023.
- **Community/Outreach Events.**
  - Staff has been working with the East Chambers ISD on providing back-to-school vaccines.
  - The clinic is going to participate in the Hardin Jefferson Hunger Initiatives food distributions ('Terrific Tuesdays')
  - Chambers County Back-to-School Bash at White Park is scheduled for Saturday, August 12<sup>th</sup>, 2023.

- Staff and Dr. Lyons continue to the “Walk with our Docs” docs event that is held on Monday and Wednesday’s in June to promote health and wellness.

In addition, following Ms. Smith’s report, she was happy to announce that the clinic was being overwhelmed with calls from potential clients, including several patients who were travelling to Anahuac for healthcare, to find out when the clinic was going to open. In response, Ms. Smith has been advising the potential patients that the clinic will hopefully be ready to provide services at the beginning of August 2023. Regardless, she was very excited about the enthusiasm from residents of the District, especially those residents that currently travelling outside of the District to receive their healthcare, to have a new local healthcare option.

Similarly, the group discussed whether it was legal for the Clinic to join area Chamber of Commerce organization. Attorney Oxford responded that since the Clinic was a private non-profit, it would be alright but that according to long standing Texas case law and Attorney General Opinions, the courts in the State of Texas as well as the Texas Attorney General’s office have consistently concluded since 1974 that Article III, Section 52 of the Texas Constitution prohibits a governmental entity such as a Hospital District from paying dues to a Chamber of Commerce. *See Kordus v. City of Garland*, 561 S.W.2d 260 (Tex. App.—Tyler 1978, writ ref’d. n.r.e.) *citing* Tex. Atty. Gen Op. H-397.

With this in mind, Attorney Oxford was asked by several of the Board Members and interested citizens present at the meeting how it was possible for Chambers County Public Hospital District No. 1 (“Chambers Health”) to join the Winnie Chambers of Commerce. Attorney Oxford stated that if Chambers Health did join the Chamber using taxpayer funds, they would be in violation of the Texas case law and Texas Attorney General Opinions. However, with that said, and as would be discussed in the Agenda Item No. 14, Attorney Oxford made it clear that Chambers Health has a history of bending the rules governing political subdivision and Hospital District if it was convenient for them to satisfy their agenda, which more often than not, is based on their everlasting quest to generate revenue to cover the cost and losses of their hospital operations.

#### **e. LTC Report**

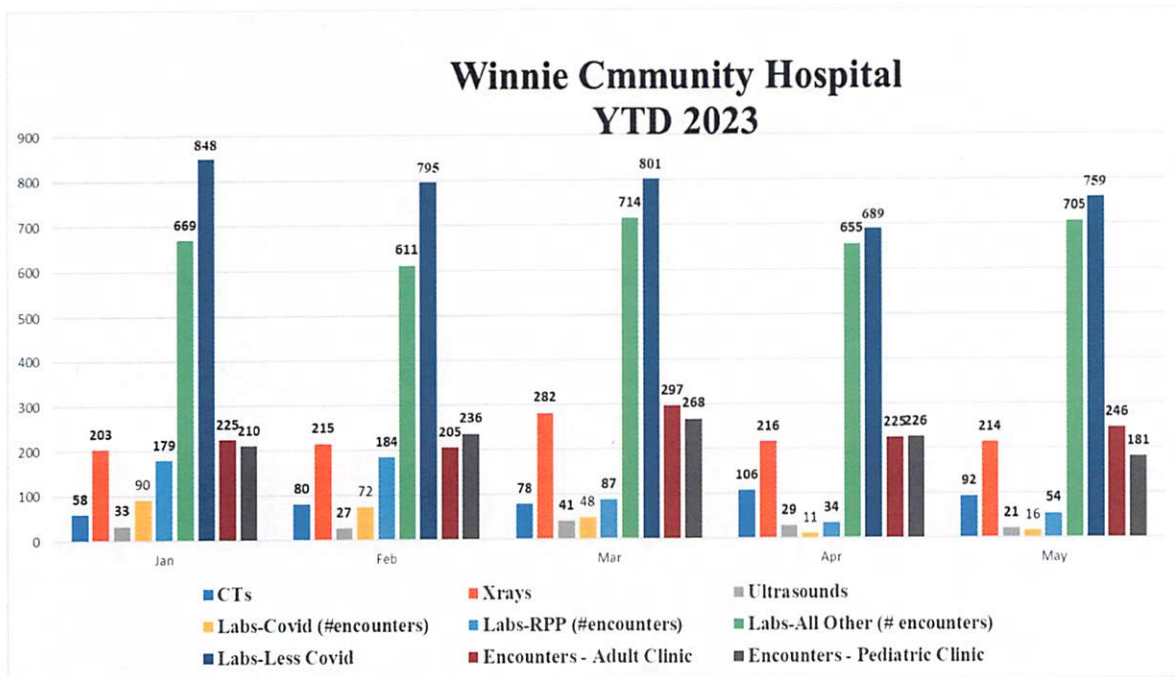
The Board was then directed to **May 2023 LTC Report** for a review of the and asked if there were any questions. The Board then reviewed the report but did not have any questions. (*See Exhibit “C”*).

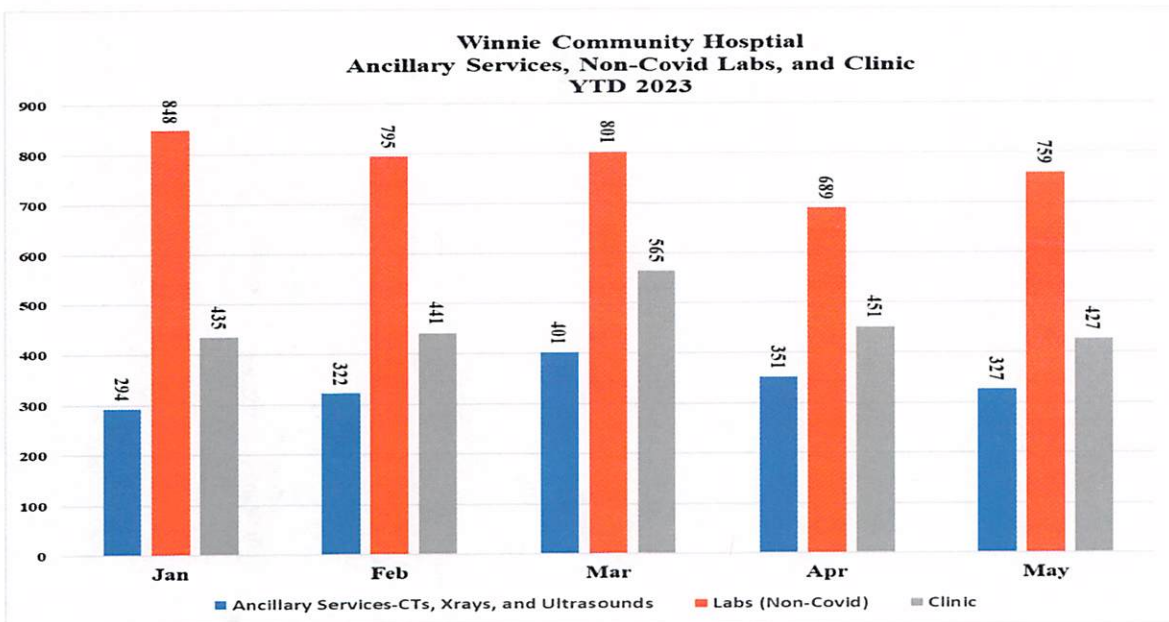
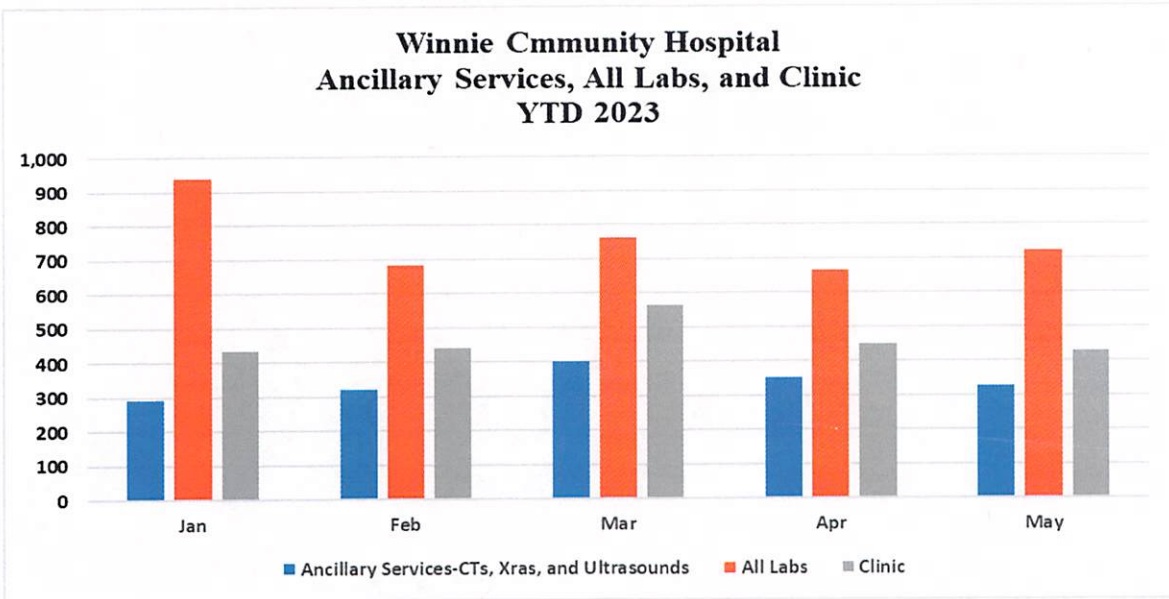
## f. Hospital Report

President Murrell then asked the Board to move forward to Agenda Item 8(f) and called on Mr. Javed to present the report. Mr. Javed thanked President Murrell for the courtesy and then distributed and discussed the Hospital's monthly report for May 2023:

Census	2023						Average
	2022	Jan	Feb	Mar	Apr	May	
ER Visits	229	220	207	257	233	278	239
Conversion to Inpatient/observation	20	26	26	29	14	23	24
Percentage	9%	12%	13%	11%	6%	8%	10%
Transferred out of ER	11	10	8	13	11	5	9
Percentage	5%	5%	4%	5%	5%	2%	4%
ER shifts covered by doctors	4%	0%	0%	0%	13%	0%	3%
Number Inpatient days	154	108	130	83	58	65	89
Number Hospice days	4	5	0	5	2	10	4
Number Swingbed days	65	14	59	16	16	20	25
Number Observation days	33	48	23	46	20	50	37
Total All Inpt. Days	255	175	212	150	96	145	156
Average Inpatient days per day	8.41	5.65	7.57	4.84	3.20	4.68	5.19
CTs	67	58	80	78	106	92	83
Xrays	249	203	215	282	216	214	226
Ultrasounds	35	33	27	41	29	21	30
Labs-Covid (#encounters)	460	90	72	48	11	16	47
Labs-RPP (#encounters)	120	179	184	87	34	54	108
Labs-All Other (# encounters)	331	669	611	714	655	705	671
Encounters - Adult Clinic	294	225	205	297	225	246	240
Encounters - Pediatric Clinic	252	210	236	268	226	181	224
Behavioral Health patients	38	40	47	46	45	44	44
Physical Therapy	1	1	2	1	2	4	2

A chart of the report above is set forth below:





After the review of the monthly statistics, Mr. Danishmund presented the Hospital's report on the WSVEMS for May 2023. According to the report presented by the Hospital, compared to the WSVEMS report, the WSVEMS was called on to make seven (7) calls in May, not seventeen (17) calls and of the seven calls, they were able to make all but one (1).

In conclusion, Mr. Danishmund completed the Hospital Report by informing the Board that the Hospital was in negotiations with Coastal Gateway to provide lab, x-ray, and CT scan services. Mr. Danishmund was happy to report that the two (2) sides have been making progress on coming to terms on prices for these services, but he assured the District's Board that the Hospital and Clinic were committed to working together to recapturing the trust of the residents of the District who have been travelling outside of the District for healthcare services.

**9. Discuss and take-action, if necessary, on approving the bank collateral agreements with Stellar Bank.**

After the completion of the various reports, President Murrell called on Attorney Oxford to discuss Agenda Item No. 9. Attorney Oxford reported that the District received an updated Bank Collateral Agreement from Stellar Bank and after he reviewed the agreement, he recommended that it be signed. (See Exhibit "D").

After discussions of proposed agreement, a motion was made by Director Stramecki to approve the Stellar Bank Collateral Agreement. This motion was seconded by Director Way and unanimously approved by all the Directors present.

**11. Discuss and take-action, if necessary, on request for assistance by Riceland Hospital.**

Next, the Board was asked to skip Agenda Item No. 10, which was going to be addressed at the end of the meeting, and move to Agenda Item No. 11, to discuss a request by Riceland Hospital for assistance with the demand by the State of Texas to repay DY-8 Uncompensated Care funds in the amount of \$1,626,424.00, of which, the State's Share (i.e., Intergovernmental Transfer by the District) was \$680,007.87 and the Federal Share was \$946,416.13. President Murrell called on Mr. Danishmund to make the request.

Mr. Danishmund informed the Board that the Hospital secured an agreement with the State to make monthly repayments of \$147,856.73 over eleven (11) months but the first payment was due at the beginning of June 2023 and paid by the Hospital. Thereafter, Mr. Danishmund requested the District's assistance with repayment of the entire amount owed.



Before any questions were asked by the Board, Attorney Oxford reminded the Board that a similar request was made for DY-7 and when this request was made, the District paid the State's share after the Federal Share was paid and then the State's share was promptly repaid to the District by the State.

The Board thanked Mr. Oxford for this reminder and then began to discuss in earnest the District's willingness and ability to satisfy the request. In so doing, an issue was raised whether the District could give this money to the Hospital and quickly determined that such a payment of all the money could possibly invoke violations of article III, section 52 of the Texas Constitution because the District needed to receive consideration in return for the payments. *See* Tx. Const. art. III, § 52.

Given the concerns about violating provisions of the Texas Constitution, the Board and the Hospital discussed methods in which the District could assist the Hospital while at the same time be made whole and protect the District's funds. First, the Board told the Hospital that they agree to initially fund the State Share because this money would be returned to the District after all the money was repaid. Pursuant to the schedule, the payment of the State's Share would be complete by the middle of October 2023. In the meantime, the Board agreed to meet with the Hospital to come to terms on the Federal Share. The criteria discussed were as follows: a) the District must receive credit for its indigent healthcare to be used in the current year and subsequent years; b) payment shall be made within two (2) or (3) years even if the credit has not been utilized by the end of the term; and c) the District needed collateral from the Hospital to ensure the District's funds are protected.

At the conclusion of the discussion of the request and the District's willingness to assist, a motion was made by Director Stramecki to authorize the payment of the State's Share of the Uncompensated Care demand to be paid in monthly installments of \$147,856.73 starting in June 2023; and then begin discussion with the Hospital on payment of the Federal Share subject to the criteria discussed in the paragraph above. This motion was seconded by Director Vratis and unanimously approved by all the Directors present.

**12. Discuss and take-action, if necessary, on receiving proposals from contractors to assist with the installation of the new facility on Highway 124 (i.e., foundation, electricity, plumbing, and concrete) and consider request for foundation change orders for the facility.**

President Murrell then asked the Board to table Agenda Item No. 12 because there were no invoices or change orders that need to be considered. Consequently, a motion was made by Director Stramecki to table Agenda Item No. 12. This motion was seconded by Director Vratis and unanimously approved by all the Directors present.

**13. Discuss and take-action, if necessary, to terminate the Winnie Stowell Emergency Medical Services staffing grant.**

The Board then addresses Agenda Item No. 13 to terminate the grant agreement with the WSVEMS. Attorney Oxford briefed the Board of Directors on the background of the issues. Per Attorney Oxford, the initial Grant Agreement between the District and the WSVEMS was originally entered into on December 16, 2020 and the grant was for the following: (a) the purchase of a transport ambulance (the “Transport Ambulance”) in the amount of \$98,000.00; and (b) \$125,000.00 to fund an Emergency Medical Technician Basic (the “EMT Basic”) position to operate the Transport Ambulance. The purpose of funding the Transport Ambulance and the EMT Basic position was to: (a) reduce wait times for the District’s residents at Riceland Hospital (the “Hospital”); (b) to make regular ambulances available for traditional emergency responses; and (c) the collateral benefit was to provide the WSVEMS with the opportunity to establish an additional source of revenue.

Pursuant to the terms and conditions of the December 27, 2021 Grant Agreement, the Agreement was scheduled to expire on December 27, 2022 unless it was renewed by both parties. In light of this provision, on December 5, 2022, Ms. Amber Lucia, the Administrator for the WSVEMS, submitted a grant extension request to fund a Paramedic pay of \$168,800.00 instead of the EMT Basic position that cost \$125,000.00 per year. This request was discussed with Mrs. Lucia during the Finance Committee before the Public Hearing and Regular Meeting on December 14, 2022 and then again at the meeting immediately following. Ultimately, the Board reluctantly approved an increase to the annual funding for the

EMT Basic position to \$152,744.40 and to cover the estimated employment taxes for the position. In exchange, the District set six (6) conditions for the grant extension to be met by June 14, 2023 or the District would terminate the Grant Agreement. Of these six (6) conditions, all were either: (a) already required pursuant to the grant; or (b) were requests for information that the District was entitled to pursuant to the grant agreement. The six (6) conditions were as follows:

1. The WSVEMS was to enter into an agreement with Hospital to provide transport services on an expedited basis; or provide proof that the WSVEMS has made a good faith attempt to secure an agreement;
2. Verification that the District's funds shall not be used for overtime;
3. WSVESM was to implement a payment system for employees as has always been required by the Grant Agreement which prohibits the commingling of the District's funds and the Chambers County grant (the County Grant") funds;
4. The WSVEMS was to operate on a fully staffed basis (i.e., three employees) separate and apart from the Transport Ambulance staff so as to ensure that the District's funds were being used to only pay for the transport ambulance staff as required in Grant Agreement;
5. The WSVEMS was to provide proof that they were timely billing for the Transport Ambulance because the WSVEMS's current collection rate was only twenty-one percent (21%); and
6. The WSVEMS shall timely provide completed reports without the District's staff having to assist with preparing the reports.

Returning to the matter before the Board, after a discussion of the WSVEMS's unwillingness to comply with the District's demands and the grant agreement, after multiple attempts over the past six (6) months to assist the WSVEMS, a motion was made by Director Stramecki to immediately terminate the grant agreement because the WSVEMS is in default and then to evaluate the next steps after receiving documentation to determination whether the District's grant funds were spent correctly. This motion was seconded by Director Way and unanimously approved by all the Board Member present.

**14. Discuss and take-action, if necessary, on opposing Chambers Health's decision to provide healthcare services within the District.**

President Murrell called on Attorney Oxford to discuss. According to Attorney Oxford, Chamber Community Health Center, Inc. ("Health Center") is once again attempting provide healthcare services within the District's boundaries, by way of parking a motor home outfitted for healthcare services at various parking lots in Winnie, Texas. *See Exhibit ("E-1")*.

As background to the most recent incursion by Chambers Health, on May 22, 2007, the and the Chamber Community Health Center, Inc. ("Health Clinic") executed a co-applicant agreement whereby the two (2) parties agreed to co-operate a Community Health Centers and apply for grants as provided for in the Public Health Service Act. 42 U.S.C. § 254b (Section 330). (*See Exhibit "E-2"*). Included, among other things, in this agreement, it clearly states that "*the Parties agree that Chambers County shall be the title holder to the property acquired through the Agreement.*" *See* Section 3.7 of the Co-Applicant Agreement. This is relevant in the event that Chambers Health disingenuously claims that they do not own the motor home.

Despite the extensive history of attempts by Chambers Health, acting through the Health Clinic's authority, to do whatever was necessary to provide healthcare services within the District's territory and after repeatedly warned, advised, and told since 2014 that Chambers Health did not have authority or the District's consent to provide healthcare within the District's boundaries, Chambers Health, through its ownership of the Health Center, has once again decided to challenge the intent of the State's constitution. Specifically, article IX, section 9, states:

The Legislature may by law provide for the creation, establishment, maintenance and operation of hospital districts . . . with power to issue bonds for the purchase, construction, acquisition, repair or renovation of buildings and improvements and equipping same, for hospital purposes . . . providing that any district so created shall assume full responsibility for providing medical and hospital care for its needy inhabitants . . . *providing that after its creation no other municipality*

*or political subdivision shall have the power to levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care within the boundaries of the district. . . .*

In addition, the Texas Attorney General has provided extensive guidance on a hospital district's authority to provide healthcare care within the boundaries of another hospital district without consent. A summary of these opinions is as follows:

- Tex. Att'y. Gen. Op. H-1094 (1977): “A portion of Wilson County was previously included in the Nixon Hospital District. Acts 1965, 59th Leg., ch. 644, at 1461. The statutes authorizing the creation of both hospital districts recite the limitation imposed by article 9, section 9 of the Texas Constitution, which provides that, *after the creation of a hospital district, no other municipality or political subdivision shall have the power to levy taxes or issue bonds or other obligations for hospital purposes or for providing medical care within the boundaries of the district. . . .*” *Emphasis added.*
- Tex. Att'y. Gen. Op. JM 257 (1984): “The lack of an express grant to the district of authority to acquire property outside its boundaries, the express limit on the exercise of its eminent domain power to within its boundaries, and the *fundamental purpose for the hospital district of providing medical and hospital care to its inhabitants indicate that the legislature did not intend the district to have the authority to acquire property located outside of its boundaries.*” *Emphasis added.*
- Tex. Att'y. Gen. Op. JM-858 (1988): “You inquire about the authority of the Presidio County Hospital District to make capital expenditures for a hospital located outside of the district's boundaries. As we understand it, no hospital facilities have been established within the boundaries of the Presidio Hospital District since its creation approximately twenty years ago. *We note that the creation of the district triggered the constitutional and statutory prohibition against a municipality or political subdivision within the district levying a tax or issuing bonds for the purpose of providing medical care services within the district's boundaries*”. Citing Tex. Const. art. IX, § 9; Acts 1965, 59th Leg., ch.



643, § 3, at 1455. Thereafter, the opinion provides, in essence, that a hospital district may “affiliate” with another hospital district to provide healthcare outside of the district, but a hospital district cannot go into a district and provide healthcare without an affiliation agreement. *Emphasis added.*

- Tex. Att’y. Gen. Op. JM-1052 (1989): “Article IX, section 9, which was adopted in 1962, contains two specific statements regarding the obligations of hospital districts: (1) hospital districts are to assume full responsibility for providing medical and hospital care for their needy inhabitants, and (2) hospital districts are to assume the outstanding indebtedness incurred before the creation of the district for hospital purposes by cities, towns, and counties within the district. *Article IX, section 9, also contains a prohibition applicable to other political subdivisions: It prohibits other political subdivisions within the boundaries of a hospital district from expending funds for any type of medical care, not just medical care for the needy.*” *Emphasis added.*
- Tex. Att’y. Gen. Op. GA-0552 (2007): This opinion is specific to County-Wide hospital districts whose statutory authority is derived from Chapter 263 of the Health and Safety Code. Unlike Chapter 286 or Chapter 285 of the Health and Safety Code, the language in Chapter 263 of the same code provides that a commissioner’s court in a county that owns a hospital may “purchase or lease real or personal property, or both, in an adjacent county if the court considers the purchase or lease necessary for hospital purposes.” According to the Texas Attorney General, this section read with a board of managers’ general power to manage hospital facilities, personnel, and patients, implicitly provides the authority to purchase or lease a medical clinic in an adjacent county without the adjacent county’s consent. *See Tex. Health & Safety Code §§ 263.021(a); § 263.046(a), and 263.041(a).* *Emphasis added.*

More importantly, above and beyond the Attorney General Opinions discussed above that: (a) prohibit a hospital district from providing healthcare services within the boundaries of another hospital district; and (b) requires a non-county wide hospital district, such as Chambers Health, or a non-profit, such as the Health Clinic that is funded by a hospital district, such as Chambers Health, as the sponsoring entity, to affiliate (i.e., receive consent) with another hospital district

before providing healthcare services within another District, the Texas statutes clearly state that the encroaching hospital district must have consent from the other hospital district. Specifically, the following statutes state:

- Texas Health & Safety Code, Section 61.056(b): This section of the Indigent Healthcare Act states that “{t}he public hospital or hospital district *may affiliate* with other public hospitals or hospital districts or with a governmental entity to provide regional administration and delivery of health care services.”
- Texas Health & Safety Code, Section 285.301(a) & (d) & Section 221.030(a)(1)(B). “A hospital district created under general or special law may form and sponsor a nonprofit corporation . . . to own and operate all or part of one or more ancillary health care facilities consistent with the purposes of the district.” However, per Section 285.301(d), these non-profits have the same powers as a development corporation formed under Section 221.030, which provides that a development corporation may “acquire, by purchase, devise, gift, lease, or a combination of those methods, construct, or improve, or cause a user to acquire, construct, or improve, one or more health facilities located in the state” and can be “outside of the limits of the sponsoring entity (i.e., nonprofit Health Clinic owned by Chambers Health) *if the sponsoring entity obtains the consent of the other sponsoring entity* (i.e. District) in which the health facility is to be located.

Consequently, Attorney Oxford stated that even if Chambers Health attempts to point the finger at the Health Clinic, a non-profit organization that is owned and controlled by Chambers Health, and regardless of the Health Clinic’s alleged authority as a Federally Qualified Health Center, Chambers Health and/or the Health Center were still violating the Texas Constitution, statutes, and Attorney General Opinions because the black letter law of the Indigent Care Act and the Texas Health and Safety Code require the District’s consent, or an affiliation agreement, before Chambers Health, or Chambers Health, acting through the Health Clinic, can come into the District’s territory and provide healthcare services. As such, for now, Attorney Oxford recommended that the Winnie Stowell Hospital District Board pass a motion objecting to the Health Clinic or Chambers Health, through the Health Clinic, providing healthcare within the District.

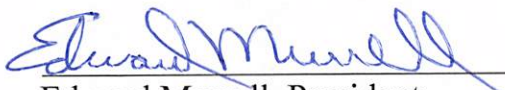
Following a discussion and recommendations by Attorney Oxford's recommendation, a motion was made by Director Stramecki to oppose and object to any and all attempts by Chambers Health's and/or the Health Clinic's, acting alone or as an agent of Chambers Health, to provide healthcare within the District, including but not limited to operating a healthcare motor home inside the District's boundaries. This motion was seconded by Director Way and unanimously approved by all the Board Members.

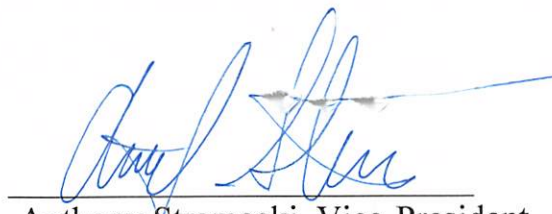
**10. Discuss and take-action, if necessary, on amending the Coastal Gateway Grant agreement.**

Before addressing Agenda Item No. 10 , President Murrell called the Board into Executive Session pursuant to Chapter 551.085 of the Texas Government Code-Health Care Services at 8:41 p.m.

After discussing Agenda Item No. 10 in Executive Session, the Board returned from Executive Session at 9:24 p.m. and immediately made a motion was made by Director Stramecki, to amend the grant for Coastal Gateway in the amount requested of \$267,040.00 to assist with staffing, marketing, and promotion. This motion was seconded by Director Rollo and unanimously approved by all the Directors present.

At the end of the discussion of the agenda items, President Murrell called for any other such matters before the Board. There being none, the Board then confirmed the date for the next Regular Meeting on August 16, 2023. A motion was made by Director Vratis at 9:27 p.m., to adjourn the meeting. This motion was seconded by Director Stramecki and unanimously approved by all the Board Members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President