

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., July 19, 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 6:10 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
Mr. David Smith	LTC Group
Mr. Chris Rutledge	LTC Group

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 June 21, 2023 Regular Meeting.

President Murrell then called on the Board to return and to review and approve the minutes from the June 21, 2023 Regular Meeting. The Board then reviewed the minutes and did not have changes.

Consequently, Director Stramecki made a motion to approve the minutes from the June 21, 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 June 2023. (*See Exhibit "A-1"*). According to Mrs. Vidal, the financials for June were in order and she was evaluating budget amendments subject to finalizing the analysis on the income and expenses associated with the four (4) new HMG facilities to be acquired by the District and the Quality Improvement Payment Program ("QIPP") Year 7 buyout loans from Non-State Owned Governmental Organizations ("NSGOs") that currently own the four (4) new facilities.

Upon the completion of financials for June 2023, Mrs. Vidal was also called on to present the Treasurer's Report. (*See Exhibit "A-2"*). According to Mrs. Vidal, the total invoices presented at the meeting amounted to \$303,398.31. She then reviewed certain invoices and provided an explanation for the invoices that were not routinely paid. A complete list of the invoices to be paid is as follows:

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Pending Expenses	For	Amount
Indigent Healthcare Solutions	Inv #76114	\$1,109.00
Brookshire Brothers	Indigent Care	\$2,926.02
Wilcox Pharmacy	Indigent Care	\$1,713.90
UTMB at Galveston	Indigent Care	\$19,402.04
UTMB Faculty Group	Indigent Care	\$5,922.70
Thompson Outpatient Clinic	Indigent Care	\$1,568.24
Omnipoint Health-Dental	SP Program	\$1,100.00
Nicki Holtzman	Youth Counseling	\$425.00
Kalos Counseling (Benjamin Odom)	Youth Counseling	\$255.00
Technology Solutions of Tx	Inv #1790	\$95.00
Felipe Ojedia-Yard Service	Inv #1039	\$350.00
Graciela Chavez-Office Cleaning	Inv #965960	\$120.00
Benckenstein & Oxford	Inv # 50832	\$39,088.92
Hubert Oxford	Legal Retainer	\$1,000.00
Makayla Vidal	Inv #00022	\$7,175.00
American Education Services	S Stern-Student Loan	\$150.14
Coastal Gateway	Grant July Request	\$64,238.07
Function4	Inv #1044149	\$23.25
Gulfway Lumber	Inv #2306-234216 (Hwy 124)	\$6,679.30
Fittz & Shipman	Inv # 0086006 (Hwy 124)	\$2,200.00
Winnie Community Hospital	WCH DY8 Recoup Demand	\$147,856.73
Total Pending Expenses:		\$303,398.31

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

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$544,083.65
First Financial DACA (Unrestricted)	\$9,093,287.41
First Financial DACA (Restricted)	\$2,201,233.13
First Financial Money Market (Restricted)	\$13,840,344.06
TexStar (Restricted)	\$717,588.13
FFB CD Balance	\$8,200,000.00
Total District Funds	\$34,596,536.38
Less First Financial (Restricted)	(\$2,201,233.13)
Less TexStar Reserve Account	(\$717,588.13)
Less LOC Outstanding	\$0.00
Less First Financial Money Market (Restricted)	(\$13,840,344.06)
Less Committed Funds (See Total Commitment)	(\$917,572.28)
Cash Position (Less First Financial Restricted)	\$16,919,798.78
Pending Expenses	(\$303,398.31)
Ending Balance (Cash Position-Pending Expenses)	\$16,616,400.47
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$20,926,403.51

According to Mrs. Vidal, the Total Funds in July were \$1,635,512.26 less than in June because the District needed to set aside \$680,007.87 to assist the Hospital with the repayment of DY-8 excess funds if the parties can reach an agreement to secure the repayment of the money; \$101,972.84 for upcoming nursing facility operations loans; and \$710,484.41 paid for origination fees to First Financial Bank.

Next, Mrs. Vidal reviewed the status of the District's outstanding nursing facility operations loans. In particular, Mrs. Vidal showed the Board the amount of money saved as a result of repaying the five (5) month short term loan early.

Lastly, Mrs. Vidal 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 Stramecki, and with unanimous approval of the Board Members to approve: a) the July 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"*). This motion was seconded by Director Way and unanimously approved by all the Board members.

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 but there was none. Consequently, President Murrell called on staff to give reports.

8. Receive reports, by:

a. Administrator's Report

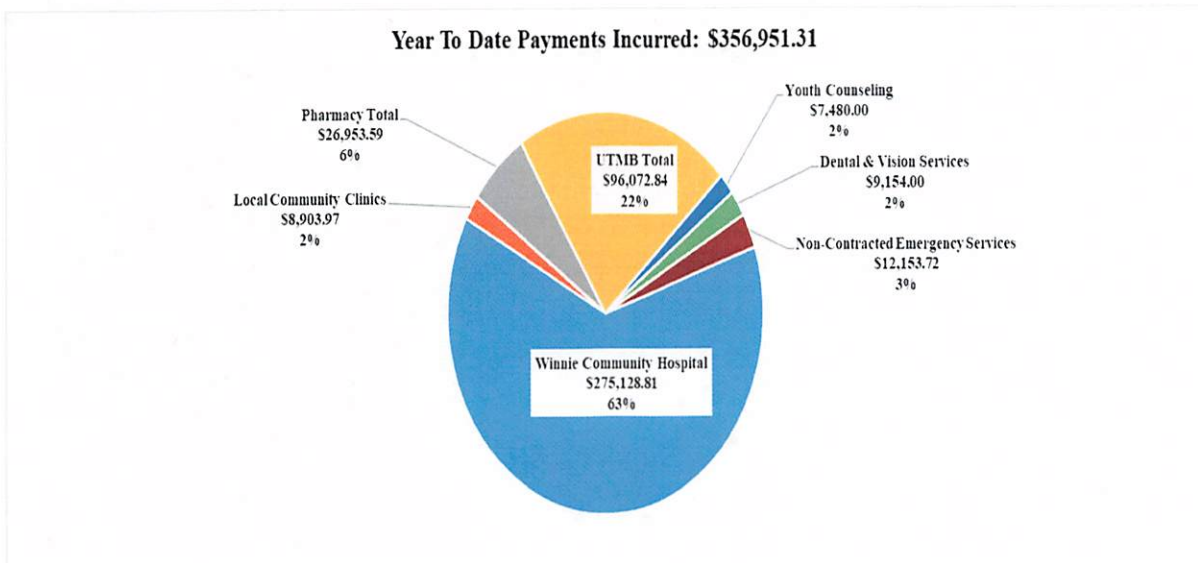
First to give a report was the District Administrator. During the Administrator's report, Mrs. Norris announced that her family was purchasing a new home Mississippi and she was going to resign effective June 1, 2024. As a result, the District will need to begin searching for a replacement in January 2024.

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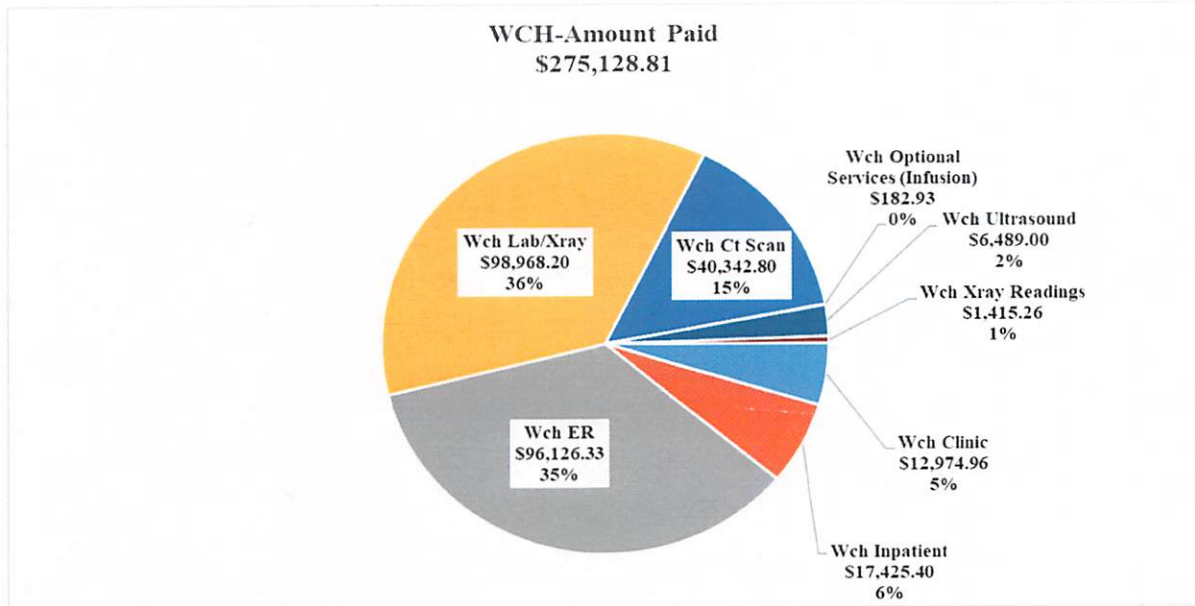
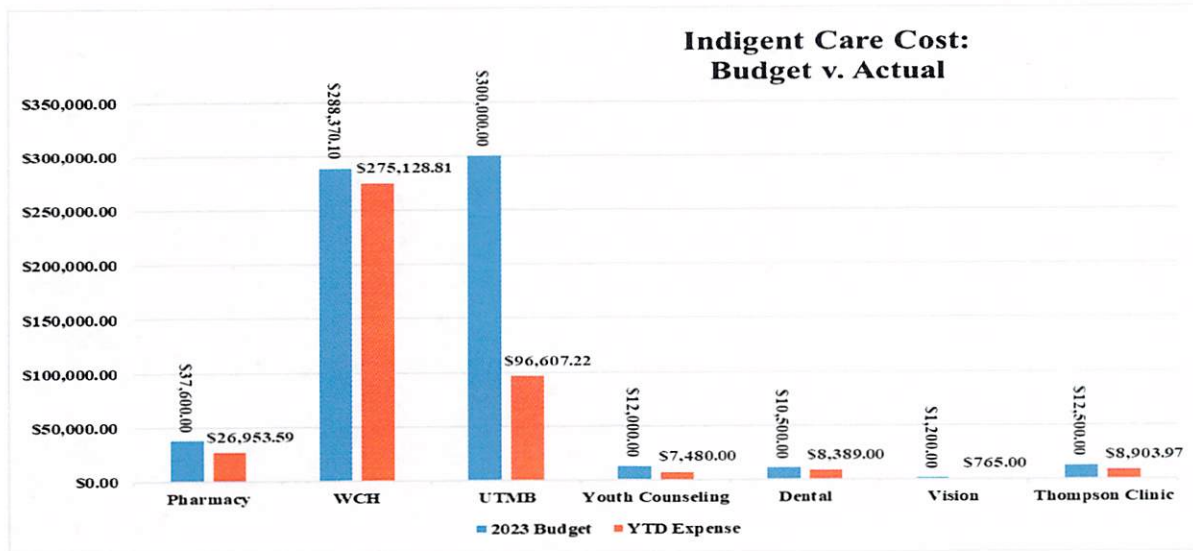
b. District Indigent Care Director Report

Next, Mrs. Ojeda was called on to give the Indigent Care report. Mrs. Ojeda reported that in June 2023, and this month, there were one hundred and three (103) indigent clients enrolled in the District's Indigent Care Program, which is two less than in May 2023. Likewise, the number of children enrolled in youth counseling in June remained at twenty-five (25). In addition, in June, the District provided dental benefits to eight (8) clients, an increase of three (3) from May 2023 but the number of Irlen clients remained at zero (0). However, per Director Vratis, the number of students getting evaluated for Irlens may increase due to the start of school in August. (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:



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Thereafter, Mrs. Ojeda presented reports on the County Van, Marcelous Williams. A summary of activity for June 2023 is as follows:

District Program	District Indigent Clients	Residents Served
County Van	5	91
Marcelous Williams	23	24

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.

Lastly, Mrs. Ojeda reminded the Board that there was no Winnie Stowell Emergency Medical Services (“WSVEMS”) report for the month given that the District terminated the Grant Agreement with the WSVEMS last month. On the other hand, she did inform the Board that she was approached by a non-profit, UHD Health, who specializes in behavioral health, and they expressed an interest in providing mental healthcare assistance to the District’s residents. Mrs. Ojeda inquired as to whether the Board was interested in utilizing their services to provide behavioral healthcare for adults residing in the District. In addition, Mrs. Ojeda stated that she felt the District could use the organization to assist with overflow for the youth counseling. In response, the Board requested that Mrs. Ojeda gather additional information on the services provided and cost associated with the services, and then report back to them.

c. District General Counsel Report

Attorney Oxford advised that he had nothing to report.

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:

- Details on the status of competition of the building construction, signage, landscaping, alarm companies, and compliance with the County’s fire code
- Training on the electronic medical record, eCW was re-scheduled for week of August 7th, 2023.
- Audit for 2023 and the 990 form were complete. Ms. Smith was happy to announce that the Clinic received a ‘clean opinion’ from the Auditors, and she was going to provide a copy to the District after the meeting.
- Staff were being hired and the staff that had been hired were completing paperwork and drug screens.

- Ms. Smith was working on the various items from the Marketing/Development discussion from last month's meeting and would have more to report at a later date.

e. LTC Report

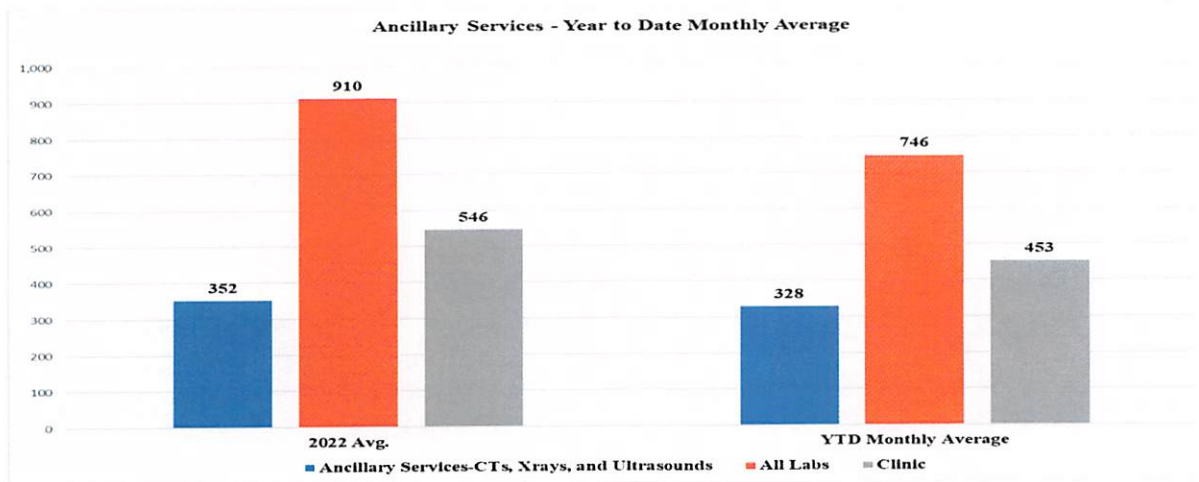
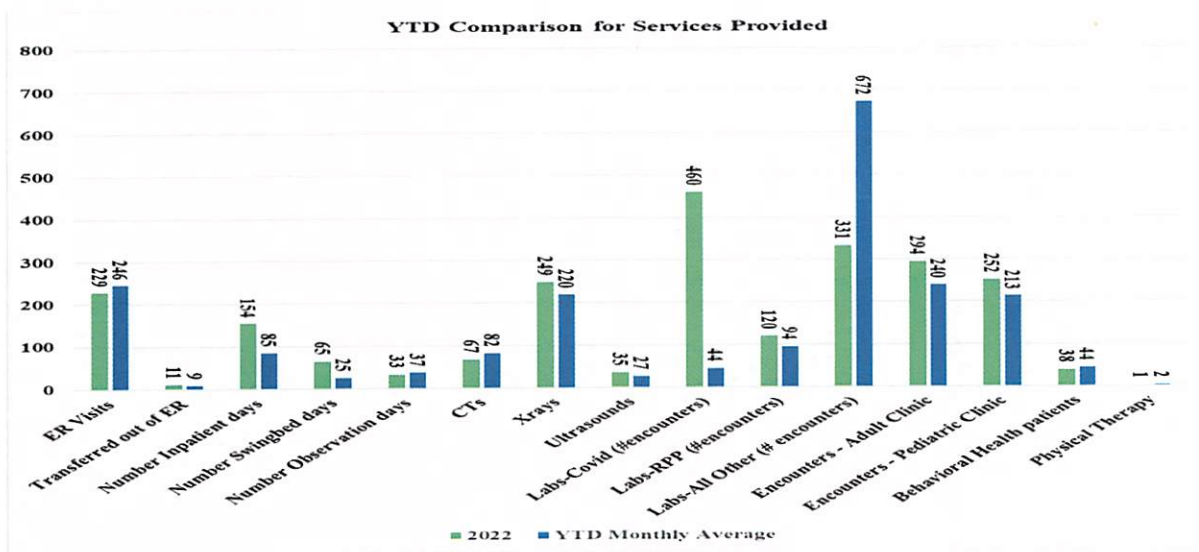
The Board was then directed to the June 2023 LTC Report and President Murrell called on Mr. David Smith with LTC to review the report. Mr. Smith then went through the monthly report and after he was completed, the Board engaged LTC in a discussion about revisions to the report. (*See Exhibit "C"*). Specifically, the District's Board requested that LTC begin to focus their efforts, visits, and reports on the District's facilities that have been underperforming financially; the subject of investigations; or that are not maximizing their Quality Incentive Payment Program ("QIPP") opportunities. LTC agreed to begin to investigate the best way to execute the Board's request, and the two sides agreed to discuss further in August whenever they meet to address renewing the LTC Agreement.

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 Hospital report. Mr. Javed thanked President Murrell for the courtesy and then distributed and discussed the Hospital's monthly report for June 2023:

Census	2023							Average
	2022	Jan	Feb	Mar	Apr	May	June	
ER Visits	229	220	207	257	233	278	280	246
Conversion to Inpatient/observation	20	26	26	29	14	23	29	25
Percentage	9%	12%	13%	11%	6%	8%	10%	10%
Transferred out of ER	11	10	8	13	11	5	6	9
Percentage	5%	5%	4%	5%	5%	2%	2%	4%
ER shifts covered by doctors	4%	0%	0%	0%	13%	0%	0%	2%
Number Inpatient days	154	108	130	83	58	65	66	85
Number Hospice days	4	5	0	5	2	10	0	4
Number Swingbed days	65	14	59	16	16	20	26	25
Number Observation days	33	48	23	46	20	50	33	37
Total All Inpt. Days	255	175	212	150	96	145	125	151
Average Inpatient days per day	8.41	5.65	7.57	4.84	3.20	4.68	4.17	5.02
CTs	67	58	80	78	106	92	75	82
Xrays	249	203	215	282	216	214	188	220
Ultrasounds	35	33	27	41	29	21	11	27
Labs-Covid (#encounters)	460	90	72	48	11	16	29	44
Labs-RPP (#encounters)	120	179	184	87	34	54	27	94
Labs-All Other (# encounters)	331	669	611	714	655	705	678	672
Encounters - Adult Clinic	294	225	205	297	225	246	241	240
Encounters - Pediatric Clinic	252	210	236	268	226	181	157	213
Behavioral Health patients	38	40	47	46	45	44	42	44
Physical Therapy	1	1	2	1	2	4	4	2

The following are charts summarizing the report set forth above:



Mr. Danishmund then completed the Hospital's Report by informing the Board that the Hospital had completed a grant application for the electronic medical records and was in the process of completing a second grant application for a new CT Machine as the Hospital was having difficulties keeping the 2006 CT Machine, purchased by the District in 2015, operating. The members of the Finance Committee welcomed the meeting but told Mr. Danishmund they needed to firm up a date soon because they were both very busy with work.

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 stated that no action needed to be taken because this agenda item was left on the agenda by mistake.

10. 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 informed the Board that there were no change orders or additional agreements to consider this month and asked that this agenda item be tabled for this meeting.

The Board agreed and then Director Stramecki made a motion to table Agenda Item No 10. This motion was seconded by Director Vratis and unanimously approved by all the Board members.

11. Discuss and take-action, if necessary, on the termination of the Winnie Stowell Emergency Medical Services staffing grant.

President Murrell also took the lead in discussing Agenda Item No. 1, to terminate the Grant Agreement with the WSVEMS. President Murrell then informed the Board that he and Director Way met with the Board President of the WSVEMS, the Honorable Dennis Dugat, and Josh Wahleithner, the Assistant Manager of the WSVEMS, to discuss the WSVEMS Grant Agreement with the District that was terminated during the June 2023 Regular Meeting. President Murrell informed the Board that the WSVEMS requested the opportunity to correct their prior mistakes and issues and submit corrected information under the leadership of Mr. Wahleithner to the District in the hope of the District reconsidering its prior decision to terminate its Grant Agreement with the WSVEMS. In response, President Murrell informed the District's Board that he recommended to the President Dugat and Mr. Wahleithner that the WSVEMS submit the information

previously requested by the District and once submitted, the District would consider, at the August 16, 2023 Regular Board Meeting, a request by the WSVEMS to reinstate the prior Grant Agreement.

Therefore, President Murrell requested that this Agenda Item be tabled until the next meeting. The Board concurred and afterwards, Director Stramecki made a motion to table Agenda Item No 10. This motion was seconded by Director Vratis and unanimously approved by all the Board members.

12. Discuss and take-action, if necessary, on acquiring new nursing facilities from Caring Healthcare and HMG and approve resolutions necessary to establish depository accounts for each facility at Steller Bank.

Attorney Oxford was called on to discuss Agenda Item No. 12. Attorney Oxford then presented the Board with two (2) resolutions to open accounts for the new HMG facilities and the Caring Healthcare facilities that the District was going to acquire. (*See Exhibits “D-1” and “D-2”*). Attorney Oxford asked the Board to review and let him know if there were any changes.

There being none, a motion was made by Director Stramecki to approve the Resolutions to open bank accounts at Stellar Bank for the new facilities to be acquired by HMG and Caring Healthcare as set forth in **Exhibits “D-1” and “D-2”**. This motion was seconded by Director Vratis and unanimously approved by all the Directors present.

13. Discuss and take-action, if necessary, on approving the updated Personnel Handbook.

Lastly, Staff were called on to address Agenda Item No. 13, to review and consider revisions to the District’s Personnel Policy. Staff explained that they recommended the changes to the Personnel Policy as set forth in **Exhibit “E”** because of the impending resignations of the Administrator and Indigent Care Director. Specifically, given the nature of the positions, Staff recommended adding sections to enable background checks and credit checks. In addition, the revisions to the policy clean up some grammar and formatting corrections. The Board and the

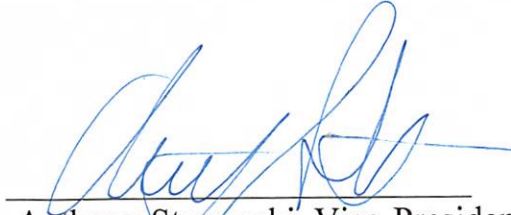
District's CPA reviewed the proposed changes and after the review, the District's CPA and staff also asked Attorney Oxford to change the payroll payment provisions for part-time Staff to semi-monthly as opposed to once every two (2) weeks.

The Board concurred with the proposed changes and thereafter, a motion was made by Director Stramecki, to adopt the proposed changes to the Personnel Policy subject to the inclusion of provisions that part-time Staff be paid semi-monthly rather than once every two (2) weeks. This motion was seconded by Director Vratis 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 Stramecki at 8:02 p.m., 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