

**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., April 17, 2024 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 6:09 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. Victoria Carlo	District Administrator’s Assistant
Mrs. Reagan Walters	Office Assistant
Mr. Scott Johnson	Nursing Facility Coordinator
Mr. Carson Jordon	Indigent Care Director
Mrs. Patricia Ojeda	Contracted Program Consultant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital (“Hospital”)
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Wade Thibodeaux	Hometown Press
Mrs. Gloria Way	The Seabreeze Beacon
Mrs. Christy Ridgeway	East Chambers Independent School District (“ECISD”)
Mrs. Andrea Smith	ECISD
Mr. David Smith	LTC Group

1. Public Comment

President Murrell called on those present at the meeting to make any public comment. This month, Mrs. Ridgeway and Andrea Smith asked to make a public comment and during their public comment, they asked the Board to add an agenda item to the May 15, 2024, for the Board to review and consider the ECISD grant request for 2024. In response, the Board thanked the two ladies for their attendance and agreed to include the requested agenda item.

2. Review and approve minutes of March 20, 2024 Regular Meeting.

President Murrell then called on the Board to return to Agenda Item 5, and to review and approve the minutes from the March 20, 2024 Regular Meeting. The Board then reviewed the minutes and did not have changes.

Thus, Director Stramecki made a motion to approve the minutes from the March 20, 2024 Regular Meeting. This motion was seconded by Director Vratis, and unanimously approved by all the Board Members present.

3. 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 District’s Income Statement and Balance Sheet for March 2024. (See Exhibit “A-1”). Mrs. Vidal then presented the Balance Sheet and Income Statement for March 2024 and asked the Board if there were any questions but there were none.

After the review of the District’s financials, Mrs. Vidal then asked the Board to turn to the Treasurer’s Report and first reviewed the invoices to be paid as set forth below and in Exhibit “A-2”.

Pending Expenses	For	Amount
Brookshire Brothers	Indigent Care	\$5,607.29
Coastal Gateway Health Center	Indigent Care	\$507.32
Indigent Healthcare Solutions	Inv #77614	\$1,566.00
\$25 Optical	SP Program	\$150.00
Bayside Dental	SP Program	\$880.00
Caba Therapy Svcs (Physio)	SP Program	\$444.63
Dr June Stansky, Optometrist	SP Program	\$60.00
Winnie Family Dental	SP Program	\$657.40
Thompson Outpatient Clinic	Indigent Care	\$1,021.20
Wilcox Pharmacy	Indigent Care	\$1,373.23
IC YC Kalos Counseling 340.00	Youth Counseling	\$340.00
WS Felipe Ojeda 350.00 Inv 1048	Inv# 1048	\$350.00
WS Function4 80.03 Inv #1113992	Inv #1113992	\$80.03
WS Graciela Chavez 120.00 Inv 965970	Youth Counseling	\$120.00
American Education Services	Grant S Stern-Student Loan	\$150.14
Coastal Gateway Health Center	Grant (Pmt 4/12)	\$83,483.58
Coastal Gateway Health Center	Grant (Marketing/Outreach)	\$41,016.10
WS Grant US Dep of Ed 720.62 (B Odom)	Grant B Odom-Student Loan	\$720.62
WS Hall Render 8627.55 Inv 610028	Inv # 610028	\$8,627.55
WS Hubert Oxford 1000.00 legal retainer	Legal Retainer	\$1,000.00
WS Patricia Ojeda 3131.25 Inv #3004	Inv # (Contract)	\$3,131.25
WS Technology Sol 95.00	Inv #1854	\$95.00
WS Vidal Accounting 8715.00	Inv# 00053	\$8,715.00
WS B&O 25310.00 Inv# 51045	Inv# 51045	\$25,310.00
Total Pending Expenses:		\$185,406.34

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

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$600,626.33
First Financial DACA (Unrestricted)	\$1,580,943.56
First Financial DACA (Restricted)	\$2,969,146.31
First Financial Money Market	\$9,364,151.41
TexStar (Restricted)	\$746,713.23
FFB CD Balance	\$8,200,000.00
Total District Funds	\$23,461,580.84
Less First Financial (Restricted)	(\$2,969,146.31)
Less TexStar Reserve Account	(\$746,713.23)
Less LOC Outstanding	(\$4,433,740.99)
Less First Financial Money Market	\$0.00
Less Committed Funds (<i>See Total Commitment</i>)	(\$1,250,037.70)
Cash Position (<i>Less First Financial Restricted</i>)	\$18,495,683.60
Pending Expenses	(\$185,406.34)
Ending Balance (<i>Cash Position-Pending Expenses</i>)	\$18,310,277.26
*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)	\$30,819,710.70

Mrs. Vidal then explained that the Total Funds as of the meeting were \$30,891,710.70 but the total liquid funds for the District were \$18,310,277.26. Looking forward, Mrs. Vidal informed the Board that the District should be receiving QIPP Year 7, 2nd Quarter Component 3, 4 and Lapsing Funds before the next meeting.

Lastly, regarding the Treasurer’s Report, Mrs. Vidal updated the Board on the District’s Committed Funds; Advance to Hospital for DY-8 Repayment; Interim Working Capital (“CHOW”) advances; and outstanding loan balances. A summary of each is as follows:

- Committed Funds: For 2024, the District approved a total of \$1,761,900.96 in committed funds for the Coastal Gateway Grant; the Coastal Gateway Marketing Grant; the Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS”) grant; the Marcelous William Grant; and the ECISD grant. Year to date, the District has paid \$511,863.26 of the Committed Funds and there remains \$1,250,037.70. The total outstanding increased from the previous month because the ECISD grant was now included in the Committed Funds section of the Treasurer’s Report.
- Advance to Hospital for DY-8: The total advanced to the Hospital for the DY-8 Repayment demand by the Texas Health and Human Services Commission was \$1,626,424.00. Since October 2023, the District has received \$225,347.27 and the balance owed is \$1,401, 076.73. This is the same amount as the previous month because Staff was unable to update the report because the Indigent Care Director abruptly resigned and therefore, staff was unable to complete their review of the invoices submitted by the Hospital for March 2024.

- Interim Working Capital Advances: As of the meeting, the District advanced \$8,889,758.55 of the \$13,500,000.00 allocated for thirteen (13) nursing facilities. Of the amount advanced, Mrs. Vidal explained to the Board that \$1,411,554.17 was utilized by HSM and they paid off their advances in March 2024.
- Outstanding Short-Term Working Capital Loans: Regarding Loan 23 that was made in June 2023 for \$14,353,948.46, the District repaid the loan in full. Since this loan was repaid, the District still had one (1) working capital loan outstanding (i.e., Loan 24) in the amount of \$15,421,032.78 and will begin making payments in April 2024.

Upon the conclusion of the presentation of the Treasurer's Report, Mrs. Vidal returned to the Funds Summary Section and discussed with the Board whether the Board would like staff to repay its outstanding balance of \$4,433,740.99 on the Line of Credit. Per Mrs. Vidal, she explained that the District had sufficient funds to repay most, if not all of the line of credit and stay within the District's cash reserve requirement established by First Financial Bank ("Bank"). The Board agreed that this was necessary to reduce unneeded interest expenses.

Lastly, Mrs. Vidal asked the Board to review the bank reconciliations, which also include the invoices previously listed. (See Exhibit "A-3"). After reviewing the reconciliations, the Board members had no questions.

Therefore, upon the completion of the discussion of the financials, President Murrell then called for a motion to approve the financials, Treasurer's Report, and payment of invoices. In response, Director Way made a motion to approve: (i) the March 2024 financials (ii) the Treasurer's Report; (iii) pay the outstanding invoices; (iv) approve the Check Register; and (v) repay the line of credit up to the amount staff determined was acceptable to stay within the cash deposit requirement by the Bank. (See Exhibit "A-1", "A-2", and "A-3"). This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

4. 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 Stramecki asked the Board to provide a brief report on the situation involving the former Indigent Care Director's departure. Per Director Stramecki, since the last meeting, Mr. Carson Jordan resigned without giving the District any advance notice. As such, the Personnel Committee met with staff and recommended the following course of action: (i) post the opening for an Indigent Care Director; (ii) in the interim Mrs. Walters has agreed to work on a full-time basis with a sixty-day probation period and receive a raise from \$15.00 per hour to \$18.00 per hour. In addition, Director Stramecki suggested moving Mrs. Walters to a full-time position either as the Indigent Care Director or as a full-time staff assistant. The Board agreed but since hiring and firing of staff is the responsibility of the Administrator, the Board deferred to Mrs. Carlo on the best path forward.

5. **Receive reports, by:**

a. **Administrator's Report**

The District's Assistant Administrator asked the Board members to let her know by May 6, 2024, if they were going to attend the THT Governance Conference to be held in San Antonio on July 25, 2024, through July 27, 2024. Mrs. Carlo expressed an interest in attending as did Mrs. Walters. Moreover, Ms. Smith, with Coastal Gateway also said she was interested in attending. In response, the Board concurred to the request to pay for Mrs. Carlo, Mrs. Walters, and Ms. Smith to attend the conference.

b. **District Indigent Care Director Report**

This month, given the lack of an Indigent Care Director, staff explained that they were not able to complete the Indigent Care Report and would include the report for March 2024 during the May 15, 2024, Indigent Care Report.

c. **Grant Report**

Following the Coastal Gateway Report, President Murrell called on Mrs. Victoria Carlo to give the Grant Report. Mrs. Carlo then reviewed the status of all the various outstanding grants and summaries of her report can be found in **Exhibit "B"**.

d. **District General Counsel Report**

Attorney Oxford informed the Board that he had a request to move the July 2024 meeting from July 17, 2024, to July 24, 2024. Per attorney Oxford, he was wanting to go on vacation the week before the regular scheduled meeting and was concerned that he would not have time to prepare for the meeting. Additionally, Attorney Oxford suggested moving the meeting to accommodate upcoming election deadlines. The Board then reviewed their schedules and agreed to move July 2024 meeting to July 24, 2024.

e. **Coastal Gateway Report**

Turning to the Coastal Gateway report, Ms. Kaley Smith, Coastal Gateway's ("Clinic") Chief Executive Officer, presented the Coastal Gateway's ("Clinic") monthly report. A summary of her report is found in **Exhibit "C"**.

f. **LTC Report**

The Board was then directed to the March 2024 District Nursing Facility Report and called on Mr. Johnson, District's Nursing Facility Coordinator, to present the report. (*See Exhibit "D"*). Mr. Johnson discussed his report to the Board in detail and responded to questions by the Board about the quality of care at certain facilities as well as the highlights from the Quality Assurance and Performance Improvement (QAPI) meetings he attended the previous month.

g. Hospital Report

Following the LTC Report, President Murrell called on Mr. Danismund to discuss the Hospital's report. Mr. Danismund thanked President Murrell for the opportunity present the Hospital's March 2024 monthly report, which is summarized in the charts below:

2024													
Census	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD Monthly Average
ER Visits	254	204	236										231
Conversion to Inpatient/observation	28	26	28										27
Percentage	11%	13%	12%	0%	0%	0%	0%	0%	0%	0%	0%	0%	12%
Transferred out of ER	7	7	8										7
Percentage	3%	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
ER shifts covered by doctors	0%	0%	0%										0%
Number Inpatient days	149	66	58										91
Number Hospice days	0	0	0										0
Number Swingbed days	60	7	3										23
Number Observation days	31	72	45										49
Total All Inpt. Days	240	145	106										164
Average Inpatient days per day	7.74	5.00	3.66										5.47
CTs	94	86	98										93
Xrays	287	229	176										231
Ultrasounds	33	25	32										30
Labs-Covid (#encounters)	71	69	49										63
Labs-RPP (#encounters)	44	22	12										26
Labs-All Other (# encounters)	501	547	543										530
Encounters - Adult Clinic	202	225	143										190
Encounters - Pediatric Clinic	140	175	137										151
Behavioral Health patients	44	42	41										42
Physical Therapy	1	1	2										1

A chart comparing the Hospital's prior year end services to the current year is as follows:

Yearly Averages							
Census	2019	2020	2021	2022	2023	2024-YTD	Average
ER Visits	190	174	220	229	249	231	221
Conversion to Inpatient/observation	10	13	21	20	26	27	21
Percentage of Converted Patients	5%	7%	9%	9%	10%	12%	10%
Transferred out of ER	10	12	11	11	10	7	10
Percentage Transferred out of ER	5%	7%	5%	5%	4%	3%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	0%	25%
Number Inpatient days	58	115	191	154	81	91	126
Number Hospice days	12	5	9	4	2	0	4
Number Swingbed days	16	47	48	65	22	23	41
Number Observation days	18	23	25	33	39	49	34
Total All Inpt. Days	104	190	273	255	144	164	205
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	5.47	6.76
CTs	42	57	64	67	80	93	72
Xrays	204	228	287	249	211	231	241
Ultrasounds	23	16	37	35	20	30	28
Labs-Covid (#encounters)	0	0	0	460	47	63	114
Labs-RPP (#encounters)	0	0	0	120	77	26	45
Labs-All Other (# encounters)	0	0	0	331	633	530	299
Encounters - Adult Clinic	576	479	486	294	230	190	336
Encounters - Pediatric Clinic	283	209	225	252	208	151	209
Behavioral Health patients	57	11	13	38	43	42	29
Physical Therapy	5	0	0	1	3	1	1

Otherwise, Mr. Danishmund advised that he did not have anything further to report that was not going to be addressed later in the meeting.

6. Discuss and take-action, if necessary, on grant request by Winnie Community Hospital and Coastal Gateway

Upon the conclusion of the Hospital Report, President Murrell then called on Mr. Danishmund to re-present the Hospitals grant requests for the installation of flooring that encapsulated asbestos-containing materials safely; and to repaint doors, door frames, and other affected areas with high-quality durable paint. According to Mr. Danishmund, the Hospital staff went back to the bidders following the last meeting and asked them bid on the same square footage and asked that the bidders include material prices rather than to only quote prices for labor. (See Exhibit "E"). After receiving the revised bids, Mr. Danishmund recommended the bid by Adonis Contracting Services, which was the low bid. A summary of the revised bids received is as follows:

Bidder	Bid	Original Bid
Adonis Contracting Services, LLC	\$70,434.78	\$38,500.00
Wallace Construction Company	\$81,450.00	\$66,600.00
SETX Unlimited Roofing & Construction	\$79,710.00	
Polus Global, LLC (i.e., Materials)		\$10,500.00
American Interior Design Center		\$51,647.45
All Around Construction Services		\$60,000.00

Next, Ms. Smith presented the bids received for a generator at the District's facility leased by Coastal Gateway in Stowell, Texas. (See Exhibit "F"). Before summarizing the bids received, Ms. Smith informed the Board that she received four (4) bids, but one (1) bid was for a 100kw generator, and the other two (2) bids were for 60kw generators. A summary of the bids is set forth below.

Bidder	Generator Size	Price
A&A Electric Co of Beaumont	100kw Generac	\$68,309.000
Gulf Coast Generators	60kw Generac	\$41,829.04
Savant Electric Company	60kw Protector Series	\$48,935.00
Savant Electric Company	60kw Protector Plus Series	\$53,394.00

After discussing the bids received, it was Ms. Smith's recommendation that the District install a 60KW Generac generator as proposed by Gulf Coast Generators, which was also the lowest bid.

After a review of the grant request and bid proposal, a motion was made by Director Stramecki to accept the low bid by Adonis Contracting Services, LLC for \$70,434.78 to make the requested repairs and upgrades at the Hospital and to accept the bid by Gulf Coast Generators to install a 60KW Generac generator for \$41,829.04 at the facility leased by Coastal Gateway. This motion was seconded by Director Way and unanimously approved by all the Board Members.

7. **Discuss and take-action, if necessary, on request by Hospital to consider and take-action to provide student loan assistance for incoming doctor.**

No action was taken on this agenda item.

8. **Discuss and take-action, if necessary, on establishing a procedure and price to provide healthcare specialty services with Riceland Medical Hospital in Winnie, Texas.**

Turning to Agenda Item No. 11, President Murrell called on Mrs. Carlo to discuss the issue of how to manage referrals to specialists working for Riceland Hospital. Per Mrs. Carlo, the Hospital now has a cardiologist that visits the Hospital weekly, and the District has handful of Indigent Care clients that have visited the cardiologist at the Rural Health Clinic and typically, when an Indigent Client sees a specialist, the District requires that its Indigent Care Director give prior consent. Thus, Mrs. Carlo asked the Board whether the District needed to give referrals for the specialist seen by the District's Indigent Care clients. In addition, the group discussed the pricing of the services, and it was recommended to pay the Hospital the amounts set forth by the State of Texas for Medicaid patients.

Thereafter, a motion was made by Director Stramecki to require referrals for the District's Indigent Care clients who are seen by the Hospital and to pay the prescribed amount as set forth by the State of Texas for Medicaid patients. This motion was seconded by Director Vratis and unanimously approved by all the Board Members.

9. **Discuss and take-action, if necessary, on approving the renewal of the CD and Line of Credit at First Financial Bank.**

Next, the Board was asked to consider renewing the District's Line of Credit and Certificate of Deposit ("CD") at First Financial Bank that expires on May 1, 2024. Per Attorney Oxford, he prepared a Resolution to renew the CD and Line of Credit and if the Board approved, the Bank prepared an Amendment to the District's Promissory Note for the Line of Credit that will need to be executed. (See Exhibit "G"). A discussion then ensued regarding the need for the Line of Credit and CD and whether the District's funds would be better spent on not renewing the Line of Credit and CD so that the District could invest the funds in a money market account or with TexStar and earn more interest. However, at the end of the discussion, it was agreed to renew the CD and Line of Agreement.

Consequently, a motion was made by Director Stramecki to renew the CD and Line of Credit. This motion was seconded by Director Vratis and unanimously approved by all the Board Members.

10. **Discuss and take-action, if necessary, on approving amendment to the LTC Group Professional Services Agreement.**

President Murrell then called on Attorney Oxford regarding the need to amend the LTC Service Agreement to include the newly acquired Mont Belvieu facility. Per Attorney Oxford, the cost for this extra facility would be \$6,000.00 and he presented the Board with a Fourth Amendment to the Fifth Amended and Restated Service Agreement. (See Exhibit "H").

At the end of a brief discussion on the Agenda Item, a motion was made by Director Stramecki to approve the Fourth Amendment to the Fifth Amended and Restated Service Agreement with the LTC Group to include the Mont Belvieu facility. This motion was seconded by Director Rollo and unanimously approved by all the Board Members

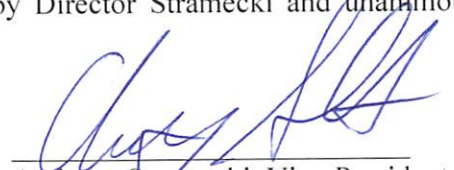
11. Discuss and take-action, if necessary, on authorizing staff to alter the timing of Interim Working Capital recoupments for the Mount Belvieu facility.

Lastly, Attorney Oxford was called to present Agenda Item No. 14, to discuss altering the payment schedule for the traditional revenue and interim working capital advance for the Mont Belvieu facility. Attorney Oxford then explained that the facility's operator, Pillar Stone, requested that the District agree to change the payment schedule for the traditional weekly transfer of ordinary revenue to bi-weekly and likewise, to regarding the timing of the interim working capital advance, they have requested that this payment be made bi-monthly. Attorney Oxford then explained that he had reviewed the Management Agreement and there was no need to amend the agreement, but staff requested authority from the Board to make the changes. Staff then explained that this would require additional work and suggested that the Board approve the request but as to the bi-weekly payments for ordinary revenue, Staff suggested that the Board agreed to make these payments for a six (6) month period until Pillar Stone could adjust their cash flow models.

The Board concurred and then Director Stramecki made a motion to authorize the bi-weekly transfers to the Mont Belvieu facility for ordinary revenue during the first six (6) months of the Management Agreement and authorized staff to make interim working capital advances pursuant to the terms of the Management Agreement bi-monthly. This motion was seconded by Director Way and unanimously approved by all the Board Members

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 to be on May 15, 2024. A motion was then made by Director Way at 7:48 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