

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., May 15, 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
Mrs. Patricia Ojeda	Contracted Program Consultant
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Ms. Kaley Smith	Coastal Gateway Health Clinic
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital (“Hospital”)
Mr. Mo Danishmund	Chief Financial Officer, Riceland Hospital
Mrs. Christy Ridgeway	East Chambers Independent School District (“ECISD”)

1. Public Comment

President Murrell called on those present at the meeting to make any public comment. There being none, President Murrell advised the Board that this month he would like to address the action items first and then turn to Agenda Items Nos. 4-9.

9. Discuss and take-action, if necessary, on approving grant request by East Chambers Independent School District.

First off, President Murrell called on Director Stramecki to introduce the Agenda Item. Director Stramecki informed the Board that the Finance Committee met with the ECISD to discuss their grant request made in December 2023 during the budget process. A summary of the grant request is as follows:

ECISD Supplemental Grant Request			
Category	Current Budget	Wish List 2024 Budget	Difference
1 Insurance	\$52,000.00	\$52,000.00	\$0.00
2 Therapy and Related Contracted Services (Partial)	\$2,100.00	\$20,000.00	\$17,900.00
3 Speech Pathologist Salary/Benefits and projected 2.5% increase Sept 2024 Less \$43,218 Surplus 3 Nurse Salary/Benefits (partial) and projected 2.5% increase Sept 2024	\$23,410.00	\$40,674.00	\$17,264.00
4 3 Nurse Salary/Benefits (partial) and projected 2.5% increase Sept 2024	\$167,416.00	\$180,655.00	\$13,239.00
5 Nurse Supplies/Expenses (Partial)	\$20,000.00	\$20,000.00	\$0.00
6 Part Time Floating LVN	\$0.00	\$10,000.00	\$10,000.00
7 Nurse Supplies/Expenses (Partial) Part Time Floating LVN Mental/Emotional Health Support Thru Adaptive Behavior January 2024 - December 2024 Licensed School Specialist Psychology - 1 year only mentor	\$0.00	\$63,000.00	\$63,000.00
8	\$0.00	\$100,000.00	\$100,000.00
9 Immunizations	\$0.00	\$0.00	\$0.00
Total	\$264,926.00	\$486,329.00	\$221,403.00

Director Stramecki advised that after considering the request, and the District's prior precedents, the Finance Committee recommended to approve the request for line-item number 4, to increase the nurse salary from \$167,416.00 to \$180,655.00.

After some discussion of the request and recommendation, the Board concurred with the Finance Committees recommendation and thereafter, a motion was made by Director Stramecki to increase the annual funding for the East Chambers Independent School District by \$13,239.00 to \$278,165.02. This motion was seconded by Director Way and approved by the Board members except for Director Vratis, who abstained from voting.

10. Discuss and take-action, if necessary, on engaging temporary Indigent Care Directors.

Director Stramecki, on behalf of the Personnel Committee informed the Board that due to the absence of an Indigent Care Director, the Personnel Committee met and agreed to rehire Mrs. Ojeda as a Temporary Indigent Care Director until a permanent replacement could be found. As such, the Committee and Mrs. Ojeda agreed to pay Mrs. Ojeda \$35.00 per hour to work as the Temporary Director but to continue to pay Mrs. Ojeda separately at \$75.00 per hour for consulting work to assist with, among other things, training; re-writing policies; and translation. Attorney Oxford presented the Board with a rough draft of an Amendment to Mrs. Ojeda's Program Consulting Agreement and advised he was still working with Mrs. Ojeda to finalize the agreement. (See **Exhibit "A"**). Attorney Oxford then requested authority by the Board for President Murrell to execute the Agreement based on the same general terms as set forth in **Exhibit "A"** one was it was finalized.

In response, a motion was made by Director Stramecki to authorize President Murrell to execute an amendment to Mrs. Ojeda's Program Consultant Agreement in which she is to be paid \$75.00 per hour for consulting work and \$35.00 per hour for time spent serving as the Temporary Indigent Care Director. This motion was seconded by Director Vratis and unanimously approved by all the Board members present.

11. Discuss and take-action, if necessary, on authorizing the District's Administrator to serve as the District's election officer for the November 2024 election and to prepare and post all notices orders required by the Texas Elections Code.

Attorney Oxford informed the Board the District's next election is on November 5, 2024 and there are the three (3) at-large positions held by Directors Murrell, Rollo, and Stramecki which were up for election. As such, Attorney Oxford advised that the District needed to appoint Mrs. Victoria Carlo as the District's election Administrator with authority to prepare and post notices as required by the Texas Election Code. He then presented the Board with Notice of Appointment of Agent Regarding the November 5, 2024 Election that he explained was required by Section 31.123, Texas Election Code. (See **Exhibit "B"**). In addition, Attorney Oxford informed the Board that staff was prepared to post the District's Notice of Deadline to File an Application for Place on the Ballot before the June 20, 2024, thirty (30) days before the first day to file an application on July 20, 2024 for an open at-large positions. In addition to the approval of the appointment of Mrs. Carlo as

the District's Election Officer, Attorney Oxford asked for authority to file and post notice of the requisite forms, such as the Election Notice and Election Order, as necessary and as the deadlines approach. The Board concurred.

In response, a motion was made by Director Stramecki to authorize Mrs. Carlo to serve as the District's Elections Administrator and to authorize her to prepare and post all notices and orders required by the Texas Elections Code in anticipation of the November 5, 2024 General Election. This motion was seconded by Director Way and unanimously approved by all the Board members.

12. Discuss and take-action, if necessary, on approving the execution of Loan 25 documents with First Financial Bank for nursing home operations.

Attorney Oxford was called on to discuss this agenda item. Per Attorney Oxford, the District needed to secure a loan from First Financial Bank by the end of the May 2024 for up to \$35,000,000.00 for nursing home operations. Consequently, he presented the Board with the necessary loan documents from between the District and First Financial Bank and requested that they be approved. (See **Exhibit "C"**).

Following a reviewed of the loan document and questions regarding the terms of the loan, a motion was made by Director Stramecki to authorize the President to execute the loan documents for up to \$35,000,000.00. This motion was seconded by Director Vratiss and unanimously approved by all the Board members

13. Discuss and take-action, if necessary, on approving amendment to the Treviso Management Agreement.

Turning to Agenda Item No. 13, President Murrell called on Attorney Oxford and the District's CPA to discuss. Attorney Oxford and Mrs. Vidal then explained that in the District's Management Agreement with Treviso, Treviso was allowed to receive advances of up to \$1,500,000.00 to assist with Interim Working Capital to be repaid on or before May 1, 2024. However, to date, the facility has not repaid any of the Interim Working Capital and were asking for an amendment to the Management Agreement to give the facility until July 1, 2024 to repay the advance before the District exercised its remedies pursuant to the Management Agreement of keeping half of all revenues to repay the advance. Attorney Oxford then presented a draft of the amendment to the Management Agreement and told the Board it had been reviewed and everything was in order to be signed if the Board approved it. (See **Exhibit "D"**). Additionally, Mrs. Vidal informed the Board that this facility was acquired on September 1, 2023 and the Management Agreement entered into was the last Management Agreement in which the District advanced a pre-set amount each

month up to \$1,500,000.00. Since the Agreement, the District changed its methodology for the advances to be paid upon proof of unpaid Medicaid payments resulting from vendor holds.

After the conclusion of a discussion with Board regarding their concerns and remedies for the future, a motion was made by Director Stramecki to authorize the President to sign the Amendment to the Management Agreement that prolongs the payoff of the Interim Working Capital advance to July 1, 2024. This motion was seconded by Director Rollo and unanimously by all the Board members.

14. Discuss and take-action, if necessary, on (a) authorizing the refinancing of accounts receivable financing for multiple HMG Facilities with Oxford Finance; and (b) authorize the HUD loan for Southbelt facility and corresponding agreements to facilitate the HUD loan

As a follow-up to Agenda Item 13, Attorney Oxford requested the Board to approve the refinancing of accounts receivable financing for multiple HMG Facilities with Oxford Finance; and to authorize a HUD loan for Southbelt facility and corresponding agreements to facilitate the HUD loan. Attorney Oxford then explained that regarding the re-financing of the Oxford Finance loan, HMG, as the Manager of the Treviso facility, was going to use the proceeds to repay the outstanding Interim Working Capital advance for the Treviso facility. Otherwise, per Attorney Oxford, HMG requested the District's cooperation to enter into a HUD loan for the Southbelt facility. Attorney Oxford then told the Board that the agreements and resolutions necessary to facilitate the Southbelt HUD loan will be similar to the HUD agreements and resolutions previously approved and used by the District.

Accordingly, a motion was made by Director Stramecki to authorize the President to execute documents and resolutions necessary to refinance HMG's Oxford Capital refinance of the accounts receivable loan and to authorize the President to executed HUD Loan agreements and resolution for the Southbelt facility. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

5. Review and approve Minutes of previous meetings held on April 3, 2024, April 17, 2024, and April 24, 2024.

President Murrell then called on the Board to return to Agenda Item 5, and to review and approve the minutes from the April 3, 2024 - Special Meeting, April 17, 2024 - Regular Meeting, and April 24, 2024 - Special meeting set forth in **Exhibit**

“E”. The Board then reviewed the minutes and did not have changes.

Afterwards, Director Stramecki made a motion to approve the minutes from the April 3, 2024-Special Meeting, April 17, 2024-Regular Meeting, and April 24, 2024-Special meeting. This motion was seconded by Director Vratis, and unanimously approved by all the Board Members.

6. Review and approve financials report; Treasurer’s Report; payment of invoices; and amend budget, 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 April 2024 and to present the Treasurer’s Report for May 15, 2024. Regarding the Mrs. Vidal then presented the Balance Sheet and Income Statement for April 2024 and advised that everything was in order. She then asked the Board if there were any questions but there were none. (See Exhibit “F-1”).

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 “F-2”.

Pending Expenses	For	Amount
Brookshire Brothers Pharm.	Indigent Care	\$4,930.63
Coastal Gateway HC	Indigent Care	\$870.39
Indigent Healthcare Solutions	Inv# 77785	\$1,566.00
SP Bayside Dental	SP Program	\$910.00
Caba Therapy (Physio)	SP Program	\$108.00
Dr. June Stansky (Optometrist)	SP Program	\$180.00
Winne Family Dental	SP Program	\$2,311.80
Thompson Outpatient	Indigent Care	\$1,320.19
UTMB Family Group Practice	Indigent Care	\$9,211.63
Wilcox Pharm.	Indigent Care	\$1,530.27
Graciela Chavez	Inv# 965971	\$120.00
Benckenstien & Oxford, L.L.P	Inv# 51056	\$16,520.00
Felipe Ojeda	Inv# 1049	\$350.00
Coastal Gateway HC	Grant- (5 of 12 pmts)	\$83,483.58
US Department of Education	Grant B.Odom- Student Loan	\$720.62
Hall Render	Inv# 612500	\$3,641.72
Hubert Oxford	Legal Retainer	\$1,000.00
Nursing Facility Coordinator	Inv # 202404	\$3,020.00
Patricia Ojeda (Consultant)	Inv# 51023	\$4,856.25
Pillar Stone MB Chow Fees (half)	Inv#23111	\$3,622.00
Technology Solutions	Inv# 1859	\$95.00
Vidal Accounting	Inv# 00056	\$9,275.00
Total Pending Expenses:		\$149,643.08

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)	\$416,513.03
First Financial DACA (Unrestricted)	\$734,258.78
First Financial DACA (Restricted)	\$5,345,440.77
First Financial Money Market	\$13,418,586.71
TexStar (Restricted)	\$746,713.23
FFB CD Balance	\$0.00
Total District Funds	\$20,661,512.52
Less First Financial (Restricted)	(\$5,345,440.77)
Less TexStar Reserve Account	(\$746,713.23)
Less LOC Outstanding	\$0.00
Less First Financial Money Market	\$0.00
Less Committed Funds (<i>See Total Commitment</i>)	(\$1,169,786.99)
Cash Position (<i>Less First Financial Restricted</i>)	\$13,399,571.53
Pending Expenses	(\$299,286.16)
Ending Balance (<i>Cash Position-Pending Expenses</i>)	\$13,100,285.37
*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)	\$27,192,979.21

Mrs. Vidal then explained that the Total Funds as of the meeting were down by \$3,626,731.48 to \$27,192,979.21 because the months’ formula for the Cash Position and Total Funds was incorrect in that it did not include the funds owed on the line of credit. However, Mrs. Vidal also noted that the District had begun to receive the payments for QIPP Year 7, second quarter Component 2, 3, 4, and lapsing payments.

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: In 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 \$592,113.97 of the Committed Funds and there remains \$1,169,786.99.

- 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 \$283,198.50 and the balance owed is \$1,343,225.50 through May 15, 2024, which is \$34,036.42 less than the prior month.
- Interim Working Capital Advances: As of the meeting, the District advanced \$10,566,601.21 of the \$13,500,000.00 allocated for thirteen (13) nursing facilities. Of the amount advanced, Mrs. Vidal explained to the Board that the District was still owed \$9,752,955.85. However, Mrs. Vidal did state that she expected the amount owed to start being reduced in larger amounts because the District should start to receive vendor hold payments from Change of Ownership documents for several of the nursing facilities acquired in late 2023 and early 2024.
- Outstanding Short-Term Working Capital Loans: With the payoff of Loan 23, the District has one loan outstanding as of the meeting, Loan 24, with a balance of \$15,421,032.78 that is due on October 31, 2024. According to Mrs. Vidal, the first payment on this loan was due at the end of May 2024 and the scheduled payment was expected to be \$2,277,000.00.

Lastly, Mrs. Vidal asked the Board to review the bank reconciliations, which also include the invoices previously listed. (See **Exhibit “F-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 Stramecki made a motion to approve: (i) the April 2024 financials (ii) the Treasurer’s Report; (iii) pay the outstanding invoices; and (iv) approve the Check Register. (See **Exhibit “F-1”, “F-2”, and “F-3”**). This motion was seconded by Director Rollo 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. This month, there were no reports outside of anything that was going to be discussed during the meeting.

8. **Receive reports, by:**

a. **Administrator's Report**

The District's Assistant Administrator informed the Board that staff was conducting interviews for an Indigent Care Director and hopefully, they would have a replacement by the next meeting in June 2024.

b. **District Indigent Care Director Report**

This month, Mrs. Ojeda provided an indigent care report for March 2024 but advised she had not completed the April 2024 report. *See Exhibit "G"* for the 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 "H"**.

d. **District General Counsel Report**

Attorney Oxford informed the Board that he had nothing to report outside of the discussions on Agenda Items Nos. 9-14.

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 "I"**.

f. **LTC Report**

The Board was then directed to the April 2024 District Nursing Facility Report and called on Mr. Johnson, District's Nursing Facility Coordinator, to present the report. (*See Exhibit "J"*). Mr. Johnson then 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 meetings he attended the previous month.

g. Hospital Report

Following the LTC Report, President Murrell called on Mr. Saad Javed to discuss the Hospital's report. Mr. Javed thanked President Murrell for the opportunity present the Hospital's April 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	245									235
Conversion to Inpatient/observation	28	26	28	27									27
Percentage	11%	13%	12%	11%	0%	0%	0%	0%	0%	0%	0%	0%	12%
Transferred out of ER	7	7	8	11									8
Percentage	3%	3%	3%	4%	0%	0%	0%	0%	0%	0%	0%	0%	4%
ER shifts covered by doctors	0%	0%	0%	3%									1%
Number Inpatient days	149	66	58	88									90
Number Hospice days	0	0	0	0									0
Number Swingbed days	60	7	3	26									24
Number Observation days	31	72	45	44									48
Total All Inpt. Days	240	145	106	158									162
Average Inpatient days per day	7.74	5.00	3.42	5.27									5.36
CTs	94	86	98	110									97
Xrays	287	229	176	229									230
Ultrasounds	33	25	32	34									31
Labs-Covid (#encounters)	71	69	49	24									53
Labs-RPP (#encounters)	44	22	12	18									24
Labs-All Other (# encounters)	501	547	543	500									523
Encounters - Adult Clinic	202	225	143	204									194
Encounters - Pediatric Clinic	140	175	137	175									157
Behavioral Health patients	44	42	41	43									43
Physical Therapy	1	1	2	2									2

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	235	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	8	10
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	26%
Number Inpatient days	58	115	191	154	81	90	126
Number Hospice days	12	5	9	4	2	0	4
Number Swingbed days	16	47	48	65	22	24	41
Number Observation days	18	23	25	33	39	48	34
Total All Inpt. Days	104	190	273	255	144	162	205
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	5.36	6.74
CTs	42	57	64	67	80	97	73
Xrays	204	228	287	249	211	230	241
Ultrasounds	23	16	37	35	20	31	28
Labs-Covid (#encounters)	0	0	0	460	47	53	112
Labs-RPP (#encounters)	0	0	0	120	77	24	44
Labs-All Other (# encounters)	0	0	0	331	633	523	297
Encounters - Adult Clinic	576	479	486	294	230	194	336
Encounters - Pediatric Clinic	283	209	225	252	208	157	210
Behavioral Health patients	57	11	13	38	43	43	29
Physical Therapy	5	0	0	1	3	2	1

Otherwise, Mr. Saad and Mr. Danishmund advised that he did not have anything further to report.

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 June 19, 2024. A motion was then made by Director Stramecki at 7:30 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