

## **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 23, 2025 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 6:13 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

All said Board Members were except Director Rollo present thus constituting a quorum. In addition, to the above-named Board Members, also present at the meeting were:

Mrs. Victoria Carlo	District Administrator
Mrs. Tina Davis	Indigent Care Director
Ms. Chrystal Logan	Assistant to Administrator
Mr. Scott Johnson	Nursing Home Coordinator
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Mr. Chris Rutledge	New Light Healthcare (“LTC”)
Mrs. 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
Mr. Josh Wahleithner	Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS”)

### **3. Swear in Directors**

No action was taken on this Agenda Item because it should have been removed from the agenda.

**4. Pledge of Allegiance and Pledge to Texas Flag**

President Murrell directed the Board to Agenda Item 4, at which time, the Board, and those present, said the Pledge of Allegiance and the Pledge to the Texas Flag.

**5. Public Comment**

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

**6. Review and approve Minutes of April 23, 2025 Regular Meeting.**

President Murrell then asked the Board to move to Agenda Item No. 5, to review and approve the minutes from the April 23, 2025 Regular Meeting. The Board then reviewed the minutes and did not have changes.

Afterwards, Director Stramecki made a motion to approve the minutes from the April 23, 2025 Regular Meeting. This motion was seconded by Director Way, and unanimously approved by all the Board Members present.

**7. 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 2025 and to present the Treasurer's Report for April 23, 2025. Mrs. Vidal then reviewed the balance sheet and income statement. Concerning the Income Statement, Mrs. Vidal noted that it was still early in the year, but she did state that she anticipated a budget amendment later in the year because of the change in Metric Achievement criteria for Quality Improvement Payment Program ("QIPP") Year 8 and the change in the timing of payments for QIPP Year 8. She then asked the Board if there were any questions but there were none at the time. (See Exhibit "A-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 "A-2".

Pending Expenses	For	Amount
\$25 Optical	SP Program	\$50.00
Bayside Dental	SP Program	\$880.00
Brookshire Brothers	Indigent Care	\$2,090.07
CABA Therapy Services dba Physio	SP Program	\$662.35
Coastal Gateway Health Center	Indigent Care	\$860.46
Dr. June Stansky, Optometrist	SP Program	\$240.00
Indigent Healthcare Solutions, LTD	Invoice # 79676	\$2,023.00
Kalos Counseling	Youth Counseling	\$255.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$685.15
UTMB at Galveston	Indigent Care	\$68,181.93
UTMB Faculty Group Practice	Indigent Care	\$4,927.22
Wilcox Pharmacy	Indigent Care	\$1,389.00
Winnie-Stowell Volunteer EMS	Indigent Care	\$246.12
Benckenstein & Oxford	Invoice No. 51287	\$15,860.00
Benckenstein & Oxford	Diversicare	\$7,551.39
Bill Clark Pest Control	Service Report #1101466	\$80.00
3Branch & More	INVOICE # 45750	\$9,324.41
Felipe Ojeda	Invoice# 1061	\$350.00
Graciela Chavez	Invoice 965969	\$140.00
Technology Solutions of Texas, LLC	Invoice 1943	\$159.07
Whiteley Technical Services LLC	Invoice 225547	\$600.00
J. S. Edwards and Sherlock Ins.	Invoice 131342	\$11,500.00
Coastal Gateway Health Center	Grant Pmt- April	\$68,644.50
Hubert Oxford	Retainer	\$1,000.00
Winnie-Stowell Volunteer EMS	Grant Pmt- Qtr1	\$38,193.60
	<b>Total Expenses:</b>	<b>\$235,893.27</b>

The Board then reviewed the invoices and did not have any questions this month. Mrs. Vidal then referred the Directors to the Funds Summary section of the Treasurer's report, which is set forth below.

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$246,576.43
First Financial DACA (Unrestricted)	\$13,916,854.11
First Financial DACA (Restricted)	\$2,870,170.47
First Financial Money Market	\$221,971.75
TexStar (Restricted)	\$10,446,470.90
FFB CD Balance	\$0.00
<b>Total District Funds</b>	<b>\$27,702,043.66</b>
Less First Financial (Restricted)	(\$2,870,170.47)
Less TexStar Restricted Amount	(\$500,000.00)
Less LOC Outstanding	\$0.00
Less First Financial Money Market	\$0.00
Less Committed Funds ( <i>See Total Commitment</i> )	(\$940,626.69)
Cash Position ( <i>Less First Financial Restricted</i> )	<b>\$23,391,246.50</b>
Pending Expenses	(\$235,893.27)
Ending Balance ( <i>Cash Position-Pending Expenses</i> )	\$23,155,353.23
<b>*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)</b>	<b>\$24,189,037.56</b>

Per Mrs. Vidal, there was a substantial difference in Total Funds available from last month to the current month. The difference was (\$3,500,181.20). The reason for the difference was due to the following transactions that occurred in

between the meetings:

QIPP Year 8, 1 <sup>st</sup> Qtr. Component 1 Shortfall	(\$2,535,228.39)
Purchase of Land	(\$525,715.45)
LTC fees	(\$421,500.00)
Interest Expense	(\$239,386.78)
WSHD Portion of YR 7 Interim	(\$864,436.28)
	(\$4,586,266.90)

Regarding the remainder of 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:** The approved Committed Funds for 2025 were \$1,626,424.00 for the Coastal Gateway grant; Coastal Gateway marketing grant; WSVEMS, and the East Chambers grant. As of the end of March 2025, the District has paid \$585,152.00 of the Committed Funds and there remains \$940,626.69 remaining to be paid by the District before the end of the year. According to Mrs. Vidal, the reason the amount remaining to be paid was so high is because Coastal Gateway had been using grants funds paid in 2024 and have not needed as much in grants funds as originally anticipated.
- **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 \$1,311,425.34 and the balance owed was \$314,998.66 through March 2025. Per staff, if the monthly repayment amount remains roughly the same, the Hospital will be on schedule repay the District on or before October 31, 2026.
- **Interim Working Capital Advances:** As of the meeting, the District had two (2) authorized Interim Working Capital advances (“Advances”) outstanding advances and the amount due was \$718,685.67. Of the amount due, Pillarstone still owed \$43,680.22 for the Mont Belvieu facility even though the advance was due on March 31, 2025. However, Mrs. Vidal noted that this issue would be discussed later in the meeting. Additionally, Oak Grove had

a balance of \$675,005.45, but she expected that this facility would begin to receive the Medicaid reimbursements in the next month.

- **Outstanding Short-Term Working Capital Loans:** The balance due for Loan 25 of \$14,645,000.00 was due at the end of May 2025. As such, Mrs. Vidal would be collaborating with staff to be prepared to make the payment on time.

Following the review of the Treasurer's Report, Mrs. Vidal asked the Board to review the bank reconciliations, which also include the invoices previously listed and discussed. (See Exhibit "A-3").

Upon the completion of the discussion of the financials and the budget amendment discussion, President Murrell then called for a motion to approve the financials, Treasurer's Report, payment of invoices and budget amendment. In response, Director Stramecki made a motion to approve: (i) the of March 2025 financials (ii) the Treasurer's Report; (iii) pay the outstanding invoices; and (iv) 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 present.

**8. Discuss and take-action on Committee Reports:**

- a. **Finance Committee: Dir. Way and Dir. Stramecki;**
- b. **Indigent Healthcare Committee: Dir. Rollo and Dir. Way;**
- c. **Personnel Committee: Dir. Rollo and Dir. Stramecki; and**
- d. **Hospital Liaison: Kacey Vratis.**

Next, President Murrell asked the Committees if there were any reports. There were none other than what was going to be discussed during the remainder of the meeting.

**9. Receive reports, by:**

- a. **Administrator's Report**

Mrs. Carlo reported that she had been working with Trinity Bay Conservation District ("TBCD") and Entergy to transfer service for the building on the newly acquired TAG facility. However, the water had not been turned on at the facility for several years, but even if the water remained turned off, the District would be charged a monthly minimum; transfer fee; and a fee for a flow test in order to transfer

the water into the District's name. Therefore, after talking to President Murrell, the two decided to terminate service for electricity and water until it was needed.

**b. District Indigent Care Director Report**

Mrs. Davis was called on next to present the Indigent Care report for March 2025. A summary of the Indigent Care Report is set forth in **Exhibit "B"** for the Indigent Care Report.

**c. Grant Report**

Following, Mrs. Carlo presented the Grant Report. During her report, Mrs. Carlo reviewed the status of all the various outstanding grants. Mrs. Carlo noted that included in the reports was a report by the East Chambers Independent School District Summaries of her report can be found in **Exhibit "C"**. In addition, Mr. Josh Wahleithner was called on to address the concerns raised at the March 2025 meeting concerning the lack of payments received by insurance companies this year. Per Mr. Wahleithner, the WSVEMS had been billing timely since hiring a new billing firm but because of the time it takes to receive the payments, the payments were recorded in 2024 and are not reflected in the 2025 report. Therefore, the Board discussed with Mrs. Vidal and Mr. Wahleithner to update the report so that the report shows invoices billed for the specific month but to change the Payments Received section of the report to show any funds received that month for the transfer service, regardless of when the invoices were sent for the payments received.

**d. District General Counsel Report**

Attorney Oxford informed the Board that he had nothing to report outside of the previously discussed Agenda Items Nos. 10-13.

**e. Coastal Gateway Report**

Turning to the Coastal Gateway report, Dr. Lyons presented the Coastal Gateway's monthly report. A summary of the report is found in **Exhibit "D"**.

**f. LTC Report**

The Board was then directed to the for March 2025 District Nursing Facility Report. (See **Exhibit "E"**). Mr. Rutledge first address questions about QIPP concerning metric achievements compared to prior years; and legislative updates.

Afterwards, Mr. Scott Johnson reviewed the highlights of the nursing facility report.

**g. Hospital Report**

Thereafter, 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 for April 2025 monthly report, which is summarized in the charts below:

2025					
Census	2024 YTD	Jan	Feb	Mar	YTD Monthly Average
ER Visits	262	273	237	281	264
Conversion to Inpatient/observation	26	30	28	26	28
Percentage	10%	11%	12%	9%	11%
Transferred out of ER	11	21	9	12	14
Percentage Transferred out to ER	4%	8%	4%	4%	5%
ER shifts covered by doctors	1%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	57
Number Hospice days	0	0	0	2	1
Number Swingbed days	17	11	11	6	9
Number Observation days	34	36	23	34	31
Total All Inpt. Days	123	106	103	85	98
Average Inpatient days per day	4	3.42	3.68	2.74	3.28
CTs	95	96	96	104	99
Xrays	239	270	238	232	247
Ultrasounds	25	17	20	24	20
Labs-Covid (#encounters)	43	29	34	38	34
Labs-RPP (#encounters)	46	53	40	27	40
Labs-All Other (# encounters)	600	647	743	717	702
Encounters - Adult Clinic	200	217	256	264	246
Encounters - Pediatric Clinic	138	78	94	93	88
Behavioral Health patients	44	47	50	49	49
Physical Therapy	1	2	6	3	4

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

Yearly Averages					
Census	2022	2023	2024	2025-YTD	Average
ER Visits	229	249	262	264	227
Conversion to Inpatient/observation	20	26	26	28	20
Percentage of Converted Patients	9%	10%	10%	11%	9%
Transferred out of ER	11	10	11	14	11
Percentage Transferred out of ER	5%	4%	4%	5%	5%
ER shifts covered by doctors	4%	2%	1%	0%	29%
Number Inpatient days	154	81	73	57	104
Avg. Inpatient Days	12.86	6.74	6.04	4.75	8.67
Number Hospice days	4	2	0	1	5
Number Swingbed days	65	22	17	9	32
Average No. of Swingbed	5.38	1.85	1.38	0.78	2.67
Number Observation days	33	39	34	31	29
Total All Inpt. Days	255	144	123	98	170
Average Inpatient days per day	8.41	4.76	4.05	3.28	5.59
CTs	67	80	95	99	72
Xrays	249	211	239	247	238
Ultrasounds	35	20	25	20	25
Labs-Covid (#encounters)	460	47	43	34	83
Labs-RPP (#encounters)	120	77	46	40	41
Labs-All Other (# encounters)	331	633	600	702	324
Encounters - Adult Clinic	294	230	200	246	359
Encounters - Pediatric Clinic	252	208	138	88	201
Behavioral Health patients	38	43	44	49	36
Physical Therapy	1	3	1	4	2

Mr. Danishmund then reported that the Hospital hired a new Nurse Practitioner, who had previously practiced in Liberty, Texas. Mr. Danishmundt proudly reported that the new nurse practitioner brought with him a substantial number of patients from Liberty and since he has been at the Hospital, the Hospital has seen a large increase in patients.

**10. Discuss and take action, if necessary, on approving, the engagement of additional nursing home assistant coordinator.**

President Murrell then called on Attorney Oxford to discuss the need to hire an additional nursing home assistant coordinator. Attorney Oxford explained that the new assistant coordinator was needed to assist Scott Johnson because Mr. Johnson was having trouble attending all the requisite meetings due to the increased number of nursing facilities acquired by the District. If approved, the proposed assistant would be Jonathan Tyler Newman, who has been working with LTC for several years and who prepares the District's monthly report. Thereafter, Attorney Oxford presented the Board with a draft of the agreement for services and recommended that this be approved. (*See Exhibit "F"*).

After some questions by the Board to verify the need for Mr. Newman and to receive assurances that District was in compliance with the QIPP rules promulgated by the Texas Health and Human Services Commission, a motion was made by Director Stramecki to authorize the President to execute agreement for services with Mr. Newman as set forth in **Exhibit "F"**. This motion was seconded by Director Way and unanimously approved by all the Board members present.

**11. Discuss and take-action, if necessary, on engaging a firm to perform a Geotech survey on the TAG/Seabreeze property.**

Moving to Agenda Item No. 11, President Murrell called on Mrs. Smith to present the proposals to conduct to engage a Geotech engineer to provide services and reports to help determine site conditions on the property acquired by Seabreeze and TAG and assist in the design of suitable foundation(s) and pavement systems for the project. (*See Exhibit "G"*). Mrs. Smith then reviewed the proposals and recommended Terracon, whose bid was for \$19,500.00. According to Mrs. Smith, while Terracon's bid was the lowest, they also were providing all the services requested by the design team.

Thereafter a motion was made by Director Stramecki to accept the Terracon

proposal for \$19,500.00 to provide geotechnical engineer services so that the District would be able to determine site and soil conditions on the newly acquired property. This motion was seconded by Director Way and unanimously approved by all the Board members present.

12. **Discuss and take-action, if necessary, on authorizing the termination of Management Agreements and Sublease Agreements for the Hemphill and Afton Oaks facilities; and to approve the acquisition of the Management Agreements and Sublease Agreements by new owners.**

Attorney Oxford was called on to Discuss Agenda Item No. 12. Attorney Oxford reported to the Board that the Hemphill facility managed by HSM was being transferred to Gemini Healthcare, LLC by way of an entity named HC Hemphill Operations, LLC. Likewise, the District was notified that the managers of the Afton Oaks facility were selling their interest in the facility to Creative Solutions. As such, Attorney Oxford asked the Board to approve the following for each facility:

1. Execution by President Murrell of a Termination of Management Agreement and Termination of Sublease Agreement for both facilities;
2. Management Agreements and transfer agreements for each facility; and
3. New accounts receivable lender agreement(s) if incoming manager of each facility has an accounts receivable lender.

The Board concurred and a motion was made by Director Stramecki to authorize the President to execute the necessary documents to: 1) terminate the existing agreements with the managers of the Hemphill facility and Afton Oaks facility; 2) enter into new conveyance agreements such as Management Agreements and Sublease Agreements; and 3) necessary accounts receivable documents consistent with the District's past agreements so that the incoming managers may secure accounts receivable loans for the facilities. This motion was seconded by Director Way and unanimously approved by all the Board members present.

13. **Discuss and take-action, if needed, on approving a payment plan for Mont Belvieu facility for the balance due on the CHOW advance.**

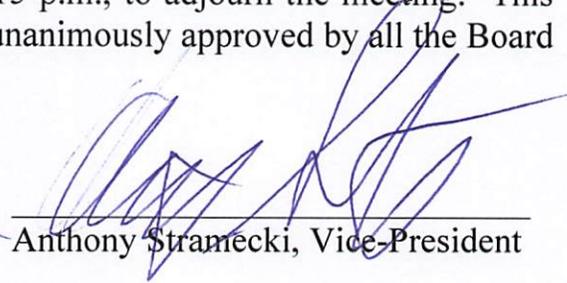
Lastly, President Murrell called on staff to discuss this Agenda Item No. 13 to discuss a payment plan for the remainder of the Mont Belvieu CHOW advance. Per Staff and Mrs. Vidal, the CHOW advance for the Mont Belvie facility was due on March 31, 2025 but the owners of the facility, Pillarstone, asked if the District would keep their QIPP Year 8, 1<sup>st</sup> quarter Component 2, 3, and 4 payment, which

they hoped would pay the outstanding balance. After receipt of the 1<sup>st</sup> quarter, the facility still owed \$43,680.22 for the advance. Therefore, staff explained that the District had the option to repay itself from the money in the District's Mont Belvieu account or the District could do as requested by Mont Belvieu and allow the facility to repay \$5,000.00 per week until the advance was repaid. Staff and the Directors then discussed a reasonable solution to the problem, and it was agreed that the District would allow a repayment schedule of \$10,000.00 per week until the advance was repaid.

Thereafter, a motion was made by Director Stramecki to allow manager of the Mont Belvieu to repay the District \$10,000.00 per week until the advance was repaid. This motion was seconded by Director Way and unanimously approved by all the Board members 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 to be on May 21, 2025. A motion was then made by Director Stramecki at 8:15 p.m., to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all the Board members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President