

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 21, 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 6:05 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. 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. Chris Rutledge	New Light Healthcare

3. 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.

4. **Public Comment**

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

5. **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 Rollo, and unanimously approved by all the Board Members present.

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 2025 and to present the Treasurer's Report for May 21, 2025. Mrs. Vidal then reviewed the balance sheet and income statement. Concerning the Income Statement, Mrs. Vidal advised the Board that the District was within their budget year to date. 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"**.

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Pending Expenses	For	Amount
Bayside Dental	SP Program	\$2,070.00
Brookshire Brothers	Indigent Care	\$1,705.02
CABA Therapy Services dba Physio	SP Program	\$1,819.73
Coastal Gateway Health Center	Indigent Care	\$875.12
Indigent Healthcare Solutions, LTD	Invoice # 79848	\$2,023.00
Kalos Counseling	Youth Counseling	\$510.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$819.54
UTMB at Galveston	Indigent Care	\$26,960.84
UTMB Faculty Group Practice	Indigent Care	\$5,077.84
Wilcox Pharmacy	Indigent Care	\$1,904.87
Winnie-Stowell Volunteer EMS	Indigent Care	\$270.70
Benckenstein & Oxford	Invoice No. 51314	\$16,790.00
Benckenstein & Oxford	Fundamental	\$9,415.68
Function4	INV1207643	\$105.00
3Branch & More	INVOICE # 45784	\$9,324.41
Felipe Ojeda	Invoice# 1062 & 1060B	\$500.00
Graciela Chavez	Invoice 965985	\$210.00
Technology Solutions of Texas, LLC	Invoice 1950	\$155.80
Curtis Scott Johnson	Inv WSHD202503 & WSHD202504	\$2,970.00
Makayla Vidal	Invoice 00092	\$8,155.00
Coastal Gateway Health Center	Marketing Grant	\$3,754.49
Hubert Oxford	Retainer	\$1,000.00
Tx Em-I Medical Services	Indigent Care	\$101.00
Cascades Healthcare LLC	CHOW Fee Split	\$3,604.50
TAG Real Estate LLC	TAG Water Bill Split	\$35.68
J. S. Edwards & Sherlock	Inv 131624	\$314.67
Coastal Gateway Health Center	Grant Pmt	To Be Discussed
Total Expenses:		\$100,472.89

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)	\$459,784.30
First Financial DACA (Unrestricted)	\$14,867,029.49
First Financial DACA (Restricted)	\$28,714.00
First Financial Money Market	\$222,609.62
TexStar (Restricted)	\$7,483,638.90
FFB CD Balance	\$0.00
Total District Funds	\$23,061,776.31
Less First Financial (Restricted)	\$0.00
Less TexStar Restricted Amount	(\$500,000.00)
Less LOC Outstanding	\$0.00
Less First Financial Money Market	\$0.00
Less Committed Funds (See Total Commitment)	(\$784,555.55)
Cash Position (Less First Financial Restricted)	\$21,777,220.76
Pending Expenses	(\$100,472.89)
Ending Balance (Cash Position-Pending Expenses)	\$21,676,747.87
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$22,807,091.09

Mrs. Vidal noted that the Total Funds decreased by \$1,381,946.47 due to the fact that the District was required to buy-out the Intergovernmental Transfers from the City of Ennis for the two (2) facilities acquired from the City. 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 \$1,525,778.29. In May, the minutes were not correct as they stated the approved Committed Funds were \$1,626,424.00. This amount was actually the DY-8 Hospital Repayment. Nevertheless, to date, the District has paid \$741,223.14 of the Committed Funds and there now remains a balance of \$784,555.55 remaining to be paid by the District before the end of the year.
- 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 \$1,359,539.30 and the balance owed was \$266,884.70 through April 2025.
- Interim Working Capital Advances: As of the meeting, the District had one remaining Interim Working Capital advance ("Advance") outstanding with Oak Grove and the amount due was \$863,458.52. Per Mrs. Vidal, the hold on the Oak Grove facility to be lifted before the next meeting.
- 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 April 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.

7. **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 Vratiss.**

Next, President Murrell asked the Committees if there were any reports. Director Stramecki, as a member of the Finance Committee, informed the Board that he was contacted by East Chambers Independent School District (“ECISD”) to request that they be placed on the June agenda because ECISD would like to get permission to re-allocate some of their grant funds. Otherwise, there were no other committee reports.

8. **Receive reports, by:**

a. **Administrator’s Report**

Mrs. Carlo reported the following: 1) the tenants at the building located on the property acquired by Seabreeze have given notice that they are leaving at the end of May; staff’s health insurance renewal was coming up and she had been working with the agent on the renewal, but the prices were going to increase slightly; and the District received the tobacco funds, and the amount received was \$18,002.00.

b. **District Indigent Care Director Report**

Mrs. Davis was called on next to present the Indigent Care report for April 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. This month, there was nothing abnormal to discuss. A complete copy of the grant report is set forth in **Exhibit “C”**.

d. **District General Counsel Report**

Attorney Oxford informed the Board that he had nothing to report outside of the previously discussed Agenda Items Nos. 9 and 10.

e. **Coastal Gateway Report**

Turning to the Coastal Gateway report, Mrs. Smith was proud report that Coastal Gateway's received the FQHC Look-Alike status. In response, the Board thanked Mrs. Smith and the staff at Coastal Gateway for their hard work in achieving the Look-Alike status as this has been something the District and Coastal Gateway had been working on for several years. Thereafter, Mrs. Smith completed her report, and a summary of the report is provided for in **Exhibit "D"**.

f. **LTC Report**

The Board was then directed to the for April 2025 District Nursing Facility Report. (*See Exhibit "E"*). Mr. Rutledge first addressed the status of legislation affecting Medicaid; the status of discussions with the Texas Health and Human Services Commission regarding unachievable metrics; and the upcoming quarterly distribution for Year 9 of the Quality Improvement Payment Program ("QIPP"). Afterwards, Mr. Rutledge highlighted portions of the District's nursing facility report and asked the Board to review and contact New Light with any questions.

g. **Hospital Report**

Thereafter, President Murrell called on Mr. Mo Danishmund to discuss the Hospital's report. Mr. Danishmund thanked President Murrell for the opportunity present the Hospital's for April 2025 monthly report, which is summarized in the charts below:

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2025						
Census	2024 YTD	Jan	Feb	Mar	Apr	YTD Monthly Average
ER Visits	262	273	237	281	311	276
Conversion to Inpatient/observation	26	30	28	26	35	30
Percentage	10%	11%	12%	9%	11%	11%
Transferred out of ER	11	21	9	12	17	15
Percentage Transferred out to ER	4%	8%	4%	4%	5%	5%
ER shifts covered by doctors	1%	0%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	51	56
Number Hospice days	0	0	0	2	0	1
Number Swingbed days	17	11	11	6	13	10
Number Observation days	34	36	23	34	34	32
Total All Inpt. Days	123	106	103	85	98	98
Average Inpatient days per day	4	3.42	3.68	2.74	3.27	3.28
CTs (# tests)	95	96	96	104	119	104
Xrays (# tests)	239	270	238	232	216	239
Ultrasounds (# tests)	25	17	20	24	27	22
Labs-Covid (#encounters)	43	29	34	38	23	31
Labs-RPP (#encounters)	46	53	40	27	19	35
Labs-All Other (# encounters)	600	647	743	717	657	691
Encounters - Adult Clinic	200	217	256	264	298	259
Encounters - Pediatric Clinic	138	78	94	93	134	100
Behavioral Health patients	44	47	50	49	49	49
Physical Therapy	1	2	6	3	2	3
Labs from FQHQ (# tests)		7	0	0	0	2
Radiology from FQHQ (# tests)		28	32	29	24	28
Labs from Physician 1 (# tests)		2261	2769	2040	2,175	2,311
Radiology from Physician 1 (# tests)		0	0	0	0	0
Labs from Physician 2 (# tests)		1129	1437	1381	1,158	1,276
Radiology from Physician 2 (# tests)		0	0	0	0	0
Labs from Physician 3 (# tests)		424	959	520	507	603
Radiology from Physician 3 (# tests)		14	14	7	6	10

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

Census	Yearly Averages							Average
	2019	2020	2021	2022	2023	2024	2025-YTD	
ER Visits	190	174	220	229	249	262	276	228
Conversion to Inpatient/observation	10	13	21	20	26	26	30	21
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	11%	9%
Transferred out of ER	10	12	11	11	10	11	15	11
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	5%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	0%	29%
Number Inpatient days	58	115	191	154	81	73	56	104
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.63	8.66
Number Hospice days	12	5	9	4	2	0	1	5
Number Swingbed days	16	47	48	65	22	17	10	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.85	2.68
Number Observation days	18	23	25	33	39	34	32	29
Total All Inpt. Days	104	190	273	255	144	123	98	170
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.28	5.59
CTs	42	57	64	67	80	95	104	73
Xrays	204	228	287	249	211	239	239	237
Ultrasounds	23	16	37	35	20	25	22	26
Labs-Covid (#encounters)	0	0	0	460	47	43	31	83
Labs-RPP (#encounters)	0	0	0	120	77	46	35	40
Labs-All Other (# encounters)	0	0	0	331	633	600	691	322
Encounters - Adult Clinic	576	479	486	294	230	200	259	361
Encounters - Pediatric Clinic	283	209	225	252	208	138	100	202
Behavioral Health patients	57	11	13	38	43	44	49	36
Physical Therapy	5	0	0	1	3	1	3	2

9. Discuss and take-action, if necessary, on approving the Deerbrook Housing and Urban Development loan.

Next, President Murrell called on Attorney Oxford to address Agenda Item No. 9. Per Attorney Oxford, HMG asked for the authority and consent of the District to approve the refinancing of accounts receivable financing loan and for the Deerbrook facility and to authorize a Housing and Urban Development (“HUD”) loan for the facility. Attorney Oxford then explained that this transaction was similar to recently completed Southbelt HUD loan transactions which also included Oxford Finance as the accounts receivable lender. Consequently, the District is being asked to authorize the transactions to and to execute the HUD loan documents and Oxford Capital documents, as the District did in the Southbelt transaction.

In addition, Attorney Oxford and President Murrell reported on the Southbelt transaction and stated that the transaction was closed but the District was never informed of the closing date until the last minute. Therefore, the staff, President Murrell, and Attorney Oxford were left to spend the weekend prior to the closing reviewing documents and signing documents in a piecemeal fashion up until the day of the closing . Because of this, staff, President Murrell, and Attorney Oxford asked the Board to approve the request to approve the HUD loan and the refinance of the Oxford Finance refinance of the facility’s accounts receivable loan subject to the following condition: (a) that the District be made aware of the closing date no later than thirty (30) days before the closing date; (b) the District must receive the final drafts and redlines compared against the Southbelt transaction as well as a signature packet for all documents (i.e., VIUM and Oxford Finance) in one (1) e-mail twenty (21) days prior to closing; and (c) if these deadlines are not complied with, then the closing date shall be postponed.

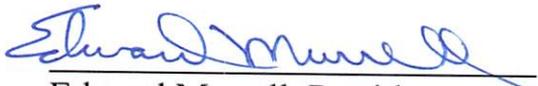
Accordingly, a motion was made by Director Stramecki to (i) approve the Oxford Finance refinancing of the accounts receivable loan for the Deerbrook facility; (ii) approve the HUD loan for the Deerbrook facility; (iii) authorize President Murrell to execute the various documents once approved by Attorney Oxford; and (iv) accept the recommendation of staff, President Murrell, and Attorney Oxford on the timelines and conditions to close as discussed above. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

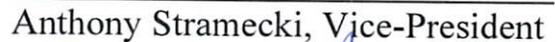
10. Discuss and take-action, if necessary, on approving a resolution to address the Oak Grove Nursing Facility Small Business Association loan matter including but not limited to amending the Sublease Agreement.

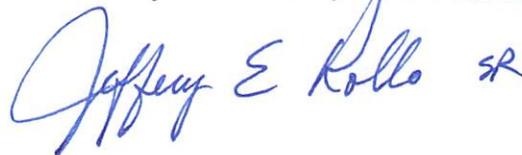
Moving to Agenda Item No. 10, President Murrell called on Attorney Oxford to discuss. According to Attorney Oxford, the District was asked to consider amending the District's Sublease Agreement with Oak Grove in order to assist Oak Grove with securing a loan through the Small Business Association ("SBA") for the construction of a new wing at the facility. Attorney Oxford explained that the SBA was pushing back on their loan because of the District's ownership of the facility and the lawyer for the Oak Grove was proposing that the District amend its Sublease Agreement for a thirty (30) to forty-five (45) day period to assist Oak Grove secure the loan.

Thereafter a motion was made by Director Stramecki to authorize the amendment of the Sublease with Oak Grove subject to (a) the consent of the Texas Health and Human Services Commission; (b) the disclosure and approval of the plan by the Small Business Administration; (c) an opinion that the amendment would not jeopardize the District's ability to participate in the QIPP Program; (d) final approval of the amendment by the General Counsel. This motion was seconded by Director Rollo 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 June 18, 2025. A motion was then made by Director Stramecki at 7:04 p.m., to adjourn the meeting. Director Stramecki's motion was seconded by Director Way and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President


Jeffrey E. Rollo SR