

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 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 6:07 p.m., the meeting was convened, and roll was called of 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 present except Director Rollo, 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”)
Ms. Kaley Smith	Coastal Gateway Health Clinic (“Clinic”)
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital (“Hospital”)
Mr. Mo Danishmund	CFO, Riceland Hospital
Mr. Josh Wahleithner	Winnie Stowell Volunteer Emergency Medical Service (“WSVEMS”)

4. Public Comment.

Following the Pledge of Allegiance; and introduction of guest, President Murrell invited public comment. However, no comments were made.

5. Review and approve Minutes of June 18, 2025 Regular Meeting.

President Murrell then asked the Board to return to Agenda Item No. 5, to review and approve the minutes from the June 18, 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 June 18, 2025 Regular Meeting. This motion was seconded by Director Way, 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 June 2025 and to present the Treasurer’s Report for July 23, 2025. Mrs. Vidal then reviewed the balance sheet and income statement and reported that all of the line items were within the budget. 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 directed the Board to the Treasurer’s Report, beginning with a review of the invoices to be paid as outlined below and in **Exhibit “A-2”**.

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Pending Expenses	For	Amount
Bayside Dental	SP Program	\$990.00
Brookshire Brothers	Indigent Care	\$2,796.36
CABA Therapy Services dba Physio	SP Program	\$540.00
Coastal Gateway Health Center	Indigent Care	\$580.60
Kalos Counseling	Youth Counseling	\$425.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$1,040.99
UTMB at Galveston	Indigent Care	\$38,035.58
UTMB Faculty Group Practice	Indigent Care	\$1,949.99
Wilcox Pharmacy	Indigent Care	\$1,271.89
CHRISTUS St Elizabeth	Indigent Care	\$6,882.64
Benckenstein & Oxford	Invoice No 51354	\$10,940.00
Graciela Chavez	Invoice 965987	\$140.00
Function4	INV1214137	\$105.00
3Branch & More	Inv # 45853	\$9,324.41
Felipe Ojeda	Invoice# 1064	\$350.00
Technology Solutions	Inv # 1966 - July	\$169.84
Technology Solutions	Inv # 1958 - June	\$158.27
Makayla Vidal	Invoice 00100	\$7,245.00
Coastal Gateway Health Center	Marketing Grant	\$2,850.00
Hubert Oxford	Retainer	\$1,000.00
Texas Conference of Urbab Counties	IC TIHCA Conf Inv#1036944	\$440.00
JS Edwards & Sherlock Insurance	Commerical Property Inv# 132141	\$10,106.21
Curtis Scott Johnson	Inv # 202505	\$1,580.00
Curtis Scott Johnson	Inv # 202506	\$1,180.00
Dr. June Stansky	SP Program	\$120.00
\$25 Optical	SP Program	\$50.00
Coastal Gateway Health Center	Grant Pmt	\$68,644.50
Indigent Healthcare Solutions, LTD	Invoice # 80191	\$2,023.00
Indigent Healthcare Solutions, LTD	Invoice # 80314	\$2,023.00
Total Expenses:		\$172,962.28

Once the Board reviewed the invoices and asked staff questions about the invoices, 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)	\$497,919.72
First Financial DACA (Unrestricted)	\$5,502,063.52
First Financial DACA (Restricted)	\$150,775.00
First Financial Money Market	\$16,085,850.41
TexStar (Restricted)	\$7,042,419.79
FFB CD Balance	\$0.00
Total District Funds	\$29,279,028.44
Less First Financial (Restricted)	(\$150,775.00)
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)	(\$467,700.51)
Cash Position (Less First Financial Restricted)	\$28,160,552.93
Pending Expenses	(\$172,962.28)
Ending Balance (Cash Position-Pending Expenses)	\$27,987,590.65
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$29,368,489.41

According to Mrs. Vidal, this month's total funds were higher than last month because of the continued receipt of Quality Incentive Payment Program ("QIPP") funds.

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**: To date, the District approved Committed funds for the Coastal Gateway, Clinic Marketing grant, WSVEMS, and the East Chambers grant. As of the end of June 2025, the District has paid \$1,175,641.57 of the \$1,643,342.08 Committed Funds leaving a balance of \$467,700.51 to be paid 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 \$1,439,664.14 and the balance owed is \$186,764.86 due on or before October 31, 2026.
- **Interim Working Capital Advances**: As of the meeting, the District had one (1) outstanding Interim Working Capital Advance outstanding with Oak Grove. The total authorized to be advanced is \$1,360,000.00. Of the authorized advance approved, Oak Grove has utilized \$1,194,133.90, leaving a balance of available funds of \$165,866.10.
- **Outstanding Short-Term Working Capital Loans**: Mrs. Vidal informed the Board that on August 25, 2025, the first half of the loan repayment for Loan 25 was due and the amount due was \$14,645,000.00. Per Mrs. Vidal, this would impact the District's reserves for the short term but per the cash flow prepared by Mrs. Vidal, the impact on the cash flow would be short term.

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 June 2025 financials (ii) the Treasurer's Report; (iii) pay the outstanding invoices; and (iv) approve the Check Register as read. (*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 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.

8. Receive reports, by:

a. Administrator's Report

The District's Administrator advised that she and Mrs. Davis would like to attend the TICA conference in Austin, Texas. She further noted that the conference is scheduled for the same date as the District's Regular Meeting in October 2025. Accordingly, if they elect to attend the conference, all necessary preparations for the Regular Meeting will be completed in advance, and they will participate in said meeting remotely via Zoom. In addition, Mrs. Davis reported that a local business reached out to her about renting the building on the property acquired by Seabreeze to locate a coffee shop. A discussion then ensued with Attorney Oxford to find out whether such a lease would be allowed. Attorney Oxford responded that he needed to research the issue further but in the past, he read some Attorney General Opinions that stated the District could lease facilities if the facilities furthered the District's constitutional and statutory duties, which is to provide healthcare to the indigent and needy population of the District. *See Tex. Att'y. Gen. Op. Nos. DM-066 (1997), and JC-220 (2000) and Tex. Att'y. Gen. LO-97-068 (1997).*

b. District Indigent Care Director Report

Mrs. Davis was called on next to present the Indigent Care report for June 2025 in lieu of the Indigent Care Director's absence because she was attending a

conference. A summary of the Indigent Care Report is set forth in **Exhibit “B”** for the Indigent Care Report.

c. District General Counsel Report

Attorney Oxford informed that the District received an e-mail from the Chambers County Appraisal District to advise that the District’s property where Tony’s BBQ and the Clinic are located will be exempt from property taxes for the Clinic’s use of the property but that the District needed to pay property taxes on the portion of the property utilized by Tony’s BBQ. As such, the Appraisal District requested the District’s opinion on the size of the non-exempt portions of the property. In response, Attorney Oxford presented a draft of his response and requested authority to send it. (See **Exhibit “C”**). After a review of the draft response, the Board authorized Attorney Oxford to submit the response.

d. Grant Report

Following, Mrs. Carlo then presented the Grant Report. During her report, Mrs. Carlo reviewed the status of all the various outstanding grants. Summaries of her report can be found in **Exhibit “D”**.

e. Coastal Gateway Report

Turning to the Coastal Gateway report, Ms. Smith presented the Coastal Gateway’s monthly report. A summary of the report is found in **Exhibit “E”**.

f. LTC Report

The Board was then directed to the June 2025 District Nursing Facility Report. (See **Exhibit “F”**). Mr. Scott Johnson then reviewed the highlights of the monthly nursing facility report and responded to questions about the performance of certain nursing facilities.

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 June 2025 monthly report and then proceeded to go through the outcomes for June 2025 and 2025.

2025								
Census	2024 YTD	Jan	Feb	Mar	Apr	May	June	YTD Monthly Average
ER Visits	262	273	237	281	311	326	304	289
Conversion to Inpatient/observation	26	30	28	26	35	35	27	30
Percentage	10%	11%	12%	9%	11%	11%	9%	10%
Transferred out of ER	11	21	9	12	17	6	9	12
Percentage Transferred out to ER	4%	8%	4%	4%	5%	2%	3%	4%
ER shifts covered by doctors	1%	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	51	70	50	57
Number Hospice days	0	0	0	2	0	0	0	0
Number Swingbed days	17	11	11	6	13	6	14	10
Number Observation days	34	36	23	34	34	37	29	32
Total All Inpt. Days	123	106	103	85	98	113	93	100
Average Inpatient days per day	4	3.42	3.68	2.74	3.27	3.65	3.10	3.31
CTs (# tests)	95	96	96	104	119	115	125	109
Xrays (# tests)	239	270	238	232	216	262	263	247
Ultrasounds (# tests)	25	17	20	24	27	13	30	22
Labs-Covid (#encounters)	43	29	34	38	23	24	32	30
Labs-RPP (#encounters)	46	53	40	27	19	21	10	28
Labs-All Other (# encounters)	600	647	743	717	657	714	716	699
Encounters - Adult Clinic	200	217	256	264	298	300	278	269
Encounters - Pediatric Clinic	138	78	94	93	134	146	108	109
Behavioral Health patients	44	47	50	49	49	44	44	47
Physical Therapy	1	2	6	3	2	1	1	3
Labs from FQHQ (# tests)		7	0	0	0	0	0	1
Radiology from FQHQ (# tests)		28	32	29	24	16	13	24
Labs from Physician 1 (# tests)		2261	2769	2040	2,175	2457	1700	2,234
Radiology from Physician 1 (# tests)		0	0	0	0	0	0	0
Labs from Physician 2 (# tests)		1129	1437	1381	1,158	865	974	1,157
Radiology from Physician 2 (# tests)		0	0	0	0	0	0	0
Labs from Physician 3 (# tests)		424	959	520	507	834	851	683
Radiology from Physician 3 (# tests)		14	14	7	6	0	0	7

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	289	230
Conversion to Inpatient/observation	10	13	21	20	26	26	30	21
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	10%	9%
Transferred out of ER	10	12	11	11	10	11	12	11
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	4%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	0%	29%
Number Inpatient days	58	115	191	154	81	73	57	104
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.75	8.67
Number Hospice days	12	5	9	4	2	0	0	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	100	170
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.31	5.59
CTs	42	57	64	67	80	95	109	74
Xrays	204	228	287	249	211	239	247	238
Ultrasounds	23	16	37	35	20	25	22	26
Labs-Covid (#encounters)	0	0	0	460	47	43	30	83
Labs-RPP (#encounters)	0	0	0	120	77	46	28	39
Labs-All Other (# encounters)	0	0	0	331	633	600	699	323
Encounters - Adult Clinic	576	479	486	294	230	200	269	362
Encounters - Pediatric Clinic	283	209	225	252	208	138	109	203
Behavioral Health patients	57	11	13	38	43	44	47	36
Physical Therapy	5	0	0	1	3	1	3	2

9. Discuss and take-action, if necessary, on grant requests or amendments to existing grant requests.

President Murrell first called on Mr. Josh Wahleithner, representing the WSVEMS, who presented a grant request for assistance in providing emergency health care standby services during the upcoming Texas Rice Festival. (See **Exhibit “G”**). Mr. Wahleithner reported that the requested amount of \$4,932.00 would fund emergency medical services for attendees of the festival on September 26, 2025 and then from October 1st through Saturday, October 4, 2025. He noted that the requested amount exceeded the prior year’s request by about \$400.00 due to certain personnel salaries being higher than in the previous year.

Next, President Murrell called on Mr. Danishmund, with the Hospital to present his request for assistance with a chiller for the HVAC system at the Hospital. Mr. Danishmund thanked the Board and the Finance Committee for collaborating with him to secure and finalize the bids for a replacement chiller. Mr. Danishmund and the Finance Committee then discussed in detail the grant request as well as the bids received. (See **Exhibit “H”**). After some discussion, the Finance Committee recommended the approval of the grant request and specifically recommended the approval of the low bid in the amount of \$265,351.75, bid amount less sales tax, submitted by Nance Commercial & Industrial HVAC&R Services (“Nance”) that included a ten (10) year warranty. However, per the Finance Committee, their recommendation is subject to: (i) the Hospital District agreeing to maintain an annual maintenance agreement for the life of the chiller and this agreement needed to be presented in December of each year during budget hearings; and (ii) an understanding that, if approved, the grant award will render the Hospital ineligible to receive any additional grants in the calendar year 2026. Mr. Danishmund agreed to conditions.

Thereafter, a motion was made by Director Stramecki to approve:

- WSVEMS Grant Request – A grant in the amount of \$4,932.00 to the WSVEMS to provide emergency health care standby services during the Texas Rice Festival on September 26, 2025, and from October 1 through October 4, 2025; and
- Hospital Chiller Grant Request – A grant in the amount of \$265,351.75 (bid amount less sales tax) to the Hospital for the purchase and installation of a replacement chiller for the HVAC system and a ten (10) year warranty to Nance Commercial & Industrial HVAC&R Services (“Nance”) as the low

bidder, and subject to the following conditions: (i) the Hospital District shall maintain an annual maintenance agreement for the life of the chiller, with such agreement to be presented each December during budget hearings; and (ii) the Hospital shall not qualify to receive any additional grants from the District during the calendar year 2026.

Director Stramecki's motion was seconded by Director Way and unanimously approved by all the Board Members present.

10. Discuss and take-action, if necessary, on approving Intergovernmental Transfer for the Hospital to participate in DY-14 Uncompensated Care Program.

Staff presented the Board with a request by Winnie Community Hospital to make an Intergovernmental Transfer ("IGT") for the DY-14 Uncompensated Care Program. (See Exhibit "I"). Per staff, the maximum amount of the initial IGT for DY-14 could be as high as \$344,137.81 but most likely, \$278,394.96. Furthermore, Staff advised that the funding for the IGTs was due on September 2, 2025. If approved by the Board, Staff advised that the IGT was expected to return up to \$697,337.00 in Uncompensated Care funds.

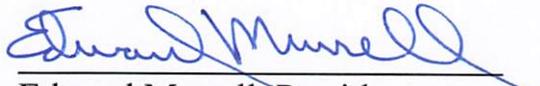
The Board concurred and then a motion was made by Director Stramecki to authorize an IGT for DY-14 in an amount up to \$344,137.81 . This motion was seconded by Director Way and unanimously approved by all the Board Members.

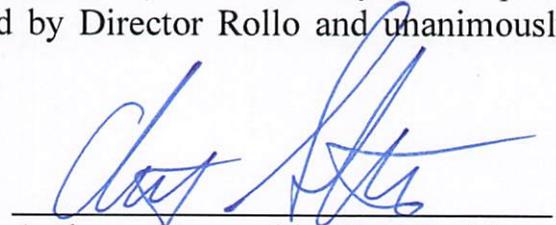
11. Discuss and take-action, if necessary, on plans for on property acquired from TAG and Seabreeze.

President Murrell then called on Ms. Smith to review and discuss draft drawings and plans for the proposed Clinic to be placed on the property acquired by Seabreeze and Tag. Ms. Smith then reminded the Board that members of the Clinic's Board and Staff had been meeting with Director's Murrell and Way to discuss proposed drawings prepared by an architect engaged by the Clinic to draft plans for a new proposed clinic. Per Ms. Smith, the funding for the architect derived from a grant the Clinic was awarded by the State of Texas. Afterwards, Ms. Smith handed out a set of drawings and rough plans for the group to discuss. (See Exhibit "J"). During this discussion, among other things, the group asked questions about costs; payment of fair market value rent; demand for the size of facility presented; and the location on the site where the facility would be located.

At the end of the discussion, no action was taken and the Board agreed to reconsider a more definitive path forward once more information was available.

Lastly, 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 August 20, 2025. A motion was then made by Director Way at 8:07 p.m., to adjourn the meeting which was seconded by Director Rollo and unanimously approved by all the Board Members present.


Edward Murrell, President


Anthony Stramecki, Vice-President