

## **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., August 20, 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 6:02 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, 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
Mrs. Patricia Ojeda	Community Needs Counselor
Ms. Kaley Smith	Coastal Gateway Health Clinic (“Clinic”)
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Mo Danishmund	CFO, Riceland Hospital
Mr. Chris Rutledge	New Light Healthcare (“LTC”)
Mr. Lee Hughes	LTC
Mrs. Kacey Vratis	Resident

#### **4. Public Comment.**

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

**5. Discuss and take-action, if necessary, on approving amendments to Service Agreement with LTC Group.**

Turning to Agenda Item 5, President Murrell asked the Board to consider the proposed Sixth Amendment to the Fifth Amended and Restated Service Agreement with LTC Group. (See **Exhibit “A”**). He then called on Director Stramecki and Mr. Lee Hughes to discuss. Per Director Stramecki, prior to the meeting, the Finance Committee met with Mr. Hughes and Mr. Rutledge to discuss the proposed amendment; any concerns by the District; impacts of federal legislation; and to receive a status of Quality Improvement Payment Program (“QIPP”). As for this Amendment, the two explained that it mirrored the Fifth Amendment but includes the following facility: Cascade Galveston, Cascade of Port Arthur, Magnolia Place, Sterling Oaks; and a reduced rate of \$500.00 per month until August 2026. Per Director Stramecki, the cost per month with the new facilities was \$461,000.00 as opposed to \$421,500.00 for 2024-2025.

After the discussion with Mr. Hughes, Director Stramecki made a motion to approve the Sixth Amended and Restated Service Agreement with LTC Group set forth in **Exhibit “A”**. This motion was seconded by Director Way and unanimously approved by all the Board members.

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

President Murrell then asked the Board to turn to Agenda Item No. 6, to review and approve the minutes from the July 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 July 23, 2025 Regular Meeting. This motion was seconded by Director Rollo, 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 July 2025 and to present the Treasurer’s Report for August 20, 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 “B-**

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 Exhibits “B-2” and “B-3”.

Pending Expenses	For	Amount
Bayside Dental	SP Program	\$880.00
Brookshire Brothers	Indigent Care	\$2,642.64
CABA Therapy Services dba Physio	SP Program	\$656.19
Coastal Gateway Health Center	Indigent Care	\$843.32
Houston Northwest Radiology Assoc	Indigent Care	\$68.16
Kalos Counseling	Youth Counseling	\$425.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$862.08
UTMB at Galveston	Indigent Care	\$45,668.50
UTMB Faculty Group Practice	Indigent Care	\$9,495.05
Wilcox Pharmacy	Indigent Care	\$1,683.39
Function4	INV1227876 & INV1226586	\$383.75
Benckenstein & Oxford	Invoice No 51384	\$9,110.00
Graciela Chavez	Invoice 965987	\$210.00
Dr. June Stansky	SP Program	\$60.00
3Branch & More	Inv # 45875	\$9,324.41
Felipe Ojeda	Invoice# 1064	\$350.00
Technology Solutions	Inv # 1974	\$164.04
Chambers County PHD ER	Indigent Care	\$657.05
Vidal Accounting Services	Invoice 00104	\$9,362.50
Coastal Gateway Health Center	Marketing Grant	\$3,420.85
Hubert Oxford	Retainer	\$1,000.00
Wright National Flood Insurance	Policy # 1152621298	\$1,549.00
US Department of Education	Grant Pmt	\$11.29
Coastal Gateway Health Center	Grant Pmt	\$68,644.50
\$25 Optical	SP Program	\$100.00
	<b>Total Expenses:</b>	<b>\$167,571.72</b>

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.

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Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$214,834.06
First Financial DACA (Unrestricted)	\$4,725,049.84
First Financial DACA (Restricted)	\$297,560.57
First Financial Money Market	\$16,376,824.09
TexStar (Restricted)	\$7,068,109.33
FFB CD Balance	\$0.00
Total District Funds	<b>\$28,682,377.89</b>
Less First Financial (Restricted)	(\$297,560.57)
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> )	(\$373,005.59)
Cash Position ( <i>Less First Financial Restricted</i> )	<b>\$27,511,811.73</b>
Pending Expenses	(\$167,571.72)
Ending Balance ( <i>Cash Position-Pending Expenses</i> )	\$27,344,240.01
*Total Funds ( <i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i> )	<b>\$28,544,509.70</b>

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 July 2025, the District has paid \$1,270,336.49 of the \$1,643,342.08 Committed Funds leaving a balance of \$373,005.59 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 \$1,485,885.13 and the balance owed is \$140,543.87 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 with Oak Grove. The total amount authorized to be advanced was \$1,360,000.00. Of this amount, Oak Grove has drawn \$1,194,133.90, leaving \$164,845.80 available for future advances and a balance of \$1,029,288.10 currently owed to the District.
- 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. Mrs. Vidal noted that although this would impact reserves in the short term, her cash flow analysis indicated the effect would be temporary.

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 "B-4"*).

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 July 2025 financials (ii) the Treasurer's Report; (iii) pay the outstanding invoices; and (iv) the Reconciliation as read. (*See Exhibit "B-1", "B-2", "B-3", and "B-4"*). 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**

This month, Mrs. Carlo reported that she had been interviewing potential companies to mow and keep up the property acquired by the District that previously belonged to Seabreeze Partners and would have a recommendation at the next meeting.

**b. District Indigent Care Director Report**

Mrs. Davis was called on next to present the Indigent Care report for July

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 "C"** for the Indigent Care Report. In addition, Mrs. Davis advised that she had been having trouble with the Brookshire Brothers pharmacy submitting their invoices timely and properly. Meanwhile, she stated that she had been approached by Wilcox Pharmacy to be the District's sole pharmacy provider. After a discussion of the issues, the Board member recommended Mrs. Davis work with Brookshire Brothers to try to resolve the problems but asked her to report back at the next meeting.

c. **District General Counsel Report**

Attorney Oxford stated that he did not have anything to report at this time.

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 July 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 recognized Mr. Saad Javed, who presented the Hospital's July 2025 monthly report along with the yearly averages, as set forth below.

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2025									
Census	2024 YTD	Jan	Feb	Mar	Apr	May	June	July	YTD Monthly Average
ER Visits	262	273	237	281	311	326	304	302	291
Conversion to Inpatient/observation	26	30	28	26	35	35	27	22	29
Percentage	10%	11%	12%	9%	11%	11%	9%	7%	10%
Transferred out of ER	11	21	9	12	17	6	9	6	11
Percentage Transferred out to ER	4%	8%	4%	4%	5%	2%	3%	2%	4%
ER shifts covered by doctors	1%	0%	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	51	70	50	43	55
Number Hospice days	0	0	0	2	0	0	0	0	0
Number Swingbed days	17	11	11	6	13	6	14	20	12
Number Observation days	34	36	23	34	34	37	29	17	30
Total All Inpt. Days	123	106	103	85	98	113	93	80	97
Average Inpatient days per day	4	3.42	3.68	2.74	3.27	3.65	3.10	2.58	3.20
CTs (# tests)	95	96	96	104	119	115	125	97	107
Xrays (# tests)	239	270	238	232	216	262	263	281	252
Ultrasounds (# tests)	25	17	20	24	27	13	30	33	23
Labs-Covid (#encounters)	43	29	34	38	23	24	32	22	29
Labs-RPP (#encounters)	46	53	40	27	19	21	10	14	26
Labs-All Other (# encounters)	600	647	743	717	657	714	716	725	703
Encounters - Adult Clinic	200	217	256	264	298	300	278	346	280
Encounters - Pediatric Clinic	138	78	94	93	134	146	108	128	112
Behavioral Health patients	44	47	50	49	49	44	44	47	47
Physical Therapy	1	2	6	3	2	1	1	0	2
Labs from FQHQ (# tests)		7	0	0	0	0	0	2	1
Radiology from FQHQ (# tests)		28	32	29	24	16	13	26	24
Labs from Physician 1 (# tests)		2261	2769	2040	2,175	2457	1700	1479	2,126
Radiology from Physician 1 (# tests)		0	0	0	0	0	0	0	0
Labs from Physician 2 (# tests)		1129	1437	1381	1,158	865	974	1254	1,171
Radiology from Physician 2 (# tests)		0	0	0	0	0	0	0	0
Labs from Physician 3 (# tests)		424	959	520	507	834	851	1035	733
Radiology from Physician 3 (# tests)		14	14	7	6	0	0	0	6

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	2025-YTD	Average
ER Visits	190	174	220	229	249	262	291	231
Conversion to Inpatient/observation	10	13	21	20	26	26	29	20
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	10%	9%
Transferred out of ER	10	12	11	11	10	11	11	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	55	104
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.58	8.65
Number Hospice days	12	5	9	4	2	0	0	5
Number Swingbed days	16	47	48	65	22	17	12	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.96	2.69
Number Observation days	18	23	25	33	39	34	30	29
Total All Inpt. Days	104	190	273	255	144	123	97	170
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.20	5.58
CTs	42	57	64	67	80	95	107	73
Xrays	204	228	287	249	211	239	252	239
Ultrasounds	23	16	37	35	20	25	23	26
Labs-Covid (#encounters)	0	0	0	460	47	43	29	83
Labs-RPP (#encounters)	0	0	0	120	77	46	26	39
Labs-All Other (# encounters)	0	0	0	331	633	600	703	324
Encounters - Adult Clinic	576	479	486	294	230	200	280	364
Encounters - Pediatric Clinic	283	209	225	252	208	138	112	204
Behavioral Health patients	57	11	13	38	43	44	47	36
Physical Therapy	5	0	0	1	3	1	2	2

10. **Discuss and take-action, if necessary, on participating in the State of Texas Opioid Settlement as set forth in Senate Bill 1827.**

Mrs. Carlo was called on to present the information obtained from the State of Texas regarding the Texas Opioid Settlement. Per Mrs. Carlo, under Senate Bill 1827, a portion of statewide opioid settlement proceeds is allocated to hospital districts to be used solely for opioid abatement and remediation programs. Funds may be applied to treatment and coordination of care, prevention and public safety initiatives, recovery support services, and workforce development and training, subject to state oversight and reporting requirements. The Winnie Stowell Hospital District has been designated to receive a pro rata allocation equal to 0.054735% of , \$65,770,854.13 for the first round payment and this same percentage of the second payment that totals \$14,263,973.29, or \$35,964.76 and then \$7,806.48, toalling \$35,964.76. However, at this point, staff and Attorney Oxford are researching the frequency of the payments. After the explanation of the settlement and how the funds could be spent, the Board then reviewed the list of qualifying programs to discuss the program that would best fit the District. After some discussion, it was agreed that the Board would participate and wanted to focus on a program that would benefit the children of the District. Some programs discussed were as follows:

- **Youth-focused prevention campaigns:** Age-appropriate education on the dangers of opioids and substance misuse.
- **School-based mental health programs:** Counseling and early intervention services provided through schools.
- **Student assistance programs:** Programs that identify and support at-risk children and teens.
- **Curriculum development:** Evidence-based drug prevention education incorporated into classroom instruction.
- **After-school and mentoring programs:** Activities designed to reduce risk factors for substance abuse by providing safe, structured environments.
- **Parent and family engagement:** Training for parents on how to recognize early warning signs of substance misuse in children.

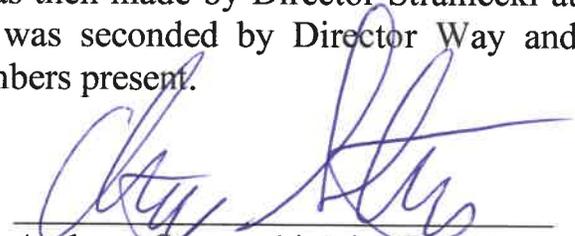
Thereafter, a motion was made by Director Stramecki to authorize the District to participate in the Texas Opioid Settlement and for staff to focus on a program that benefited the children of the District once staff determines the frequency of the payment. Director Stramecki's motion was seconded by Director Way and unanimously approved by all the Board Members present.

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

President Murrell advised that there was nothing report and recommended that no action be taken at this time on this agenda item.

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 September 24, 2025. A motion was then made by Director Stramecki at 7:13 p.m., to adjourn the meeting which was seconded by Director Way and unanimously approved by all the Board Members present.

  
Edward Murrell, President

  
Anthony Stramecki, Vice-President