

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 three (3) business days prior to the opening of said meeting for 6:00 p.m., October 22, 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 6:03 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. Kiela Barron	Office Assistant
Mr. Scott Johnson	Nursing Home Coordinator
Mr. Hubert Oxford, IV	General Counsel for the District
Mrs. MaKayla Vidal	District’s CPA
Ms. Kaley Smith	Coastal Gateway Health Clinic (“Clinic”)
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Mo Danishmund	CFO, Riceland Hospital
Mrs. Patricia Ojeda	Community Health Director
Mrs. Michelle Mendoza	Community Health Worker
Mr. Chris Rutledge	New Light/LTC
Mrs. Kacy Vratiss	Resident/Former Board Member
Mr. Wade Thibodeau	Hometown Press

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

4. **Swear in Directors.**

No action was taken on this agenda item.

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 September 24, 2025 Regular Meeting.**

President Murrell then asked the Board to review and approve the minutes from the September 24, 2025 Regular Meeting.

Director Stramecki made a motion to approve the minutes from the September 24, 2025 Regular Meeting. This motion was seconded by Director Rollo, and unanimously approved by all the Board Members.

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 September 2025 and to present the Treasurer's Report for October 22, 2025. Mrs. Vidal then reviewed the balance sheet and income statement. Since the budget was amended during the prior meeting, this month, Mrs. Vidal 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	\$4,676.00
Brookshire Brothers	Indigent Care	\$2,546.85
CABA Therapy Services dba Physio	SP Program	\$641.25
Coastal Gateway Health Center	Indigent Care	\$1,046.25
Winnie-Stowell EMS	Indigent Care	\$539.57
Kalos Counseling	Youth Counseling	\$255.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$790.08
UTMB at Galveston	Indigent Care	\$59,976.99
UTMB Faculty Group Practice	Indigent Care	\$15,698.40
Wilcox Pharmacy	Indigent Care /Charity Care	\$1,441.40
Function4	INV1241814	\$135.00
Benckenstein & Oxford	Invoice No 51428	\$10,160.00
Graciela Chavez	Invoice 965989	\$210.00
US Department of Education	Acct# 1778777782 - Benjamin Odom	\$2,156.68
3Branch & More	Inv # 45943	\$9,324.41
Felipe Ojeda	Invoice# 1067	\$700.00
Technology Solutions	Inv # 1992	\$164.79
Indigent Healthcare Solutions	Indigent Care	\$2,023.00
Vidal Accounting Services	Invoice 00112	\$8,225.00
Geotech	Grant CGHC Inv# 525348	\$19,500.00
Hubert Oxford	Retainer	\$1,000.00
The Seabreeze Beacon	INV 8675 Rice Festival Ad	\$600.00
Houston Northwest Radiology	Indigent Care	\$8.29
Coastal Gateway Health Center	Grant Pmt	\$68,644.50
Winnie-Stowell EMS	Rice Festival Grant	\$4,932.00
Todd Sonke Agency	Surety Bond Stramecki & Way Inv#17432 & 17433	\$100.00
Total Expenses:		\$215,495.46

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)	\$458,115.37
First Financial DACA (Unrestricted)	\$297,393.00
First Financial DACA (Restricted)	\$776,449.43
First Financial Money Market	\$22,286,507.61
TexStar (Restricted)	\$7,118,401.68
FFB CD Balance	\$0.00
Total District Funds	\$30,936,867.09
Less First Financial (Restricted)	(\$776,449.43)
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>)	(\$149,573.90)
Cash Position (<i>Less First Financial Restricted</i>)	\$29,510,843.76
Pending Expenses	(\$215,495.46)
Ending Balance (Cash Position-Pending Expenses)	\$29,295,348.30
*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)	\$30,932,646.11

According to Mrs. Vidal, the District's total funds available as of the reporting period were \$29,510,843.76 and the District's Total Funds, per the Treasurer's Report, were \$30,932,646.11.

Regarding the remainder of the Treasurer's Report, Mrs. Vidal updated the Board on the District's Committed Funds; Advance to Hospital for the DY-8 Repayment and IRS Advance 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 ISD grant. As of the end of the meeting, the District has paid \$1,493,768.18 of the \$1,643,342.08 in budgeted Committed Funds, leaving a remaining balance of \$149,573.90 to be paid before the end of the year.
- Advance to Hospital for DY-8 and IRS Advance: The total advanced to the Hospital for the DY-8 Repayment demand by the Texas Health and Human Services Commission was \$1,626,429.00 and the balance owed is now only \$50,560.62. However, after taking into account the IRS Payment Advance in the amount of \$490,432.95, the total owed to the District is \$540,993.37.
- Interim Working Capital Advances: As of the meeting, the District has one (1) outstanding Interim Working Capital Advance outstanding totaling \$929,288.10 for the Oak Grove facility, which will be discussed in more detail once the Board addresses Agenda Item No. 10.
- Outstanding Short-Term Working Capital Loans: Mrs. Vidal reported that the second (2nd) payment for Loan 26 for the second (2nd) half of Quality Improvement Payment Program ("QIPP") Year 8 is due on November 25, 2025 in the amount of \$14,644,894.33. Mrs. Vidal further reported that upon payment of this amount, Loan 26 will be fully paid. Ms. Vidal then advised that the next scheduled payment on Loan 27 will be due on April 25, 2026 in the amount of \$15,835,050.00.

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 September 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.

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.**

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

9. Receive reports, by:

a. **Administrator's Report**

During the Administrator's Report, Mrs. Carlo reported that the District needs to close the Caring Healthcare Spring Branch account and advised that an item should be placed on next month's agenda to authorize the closing of the account, as the District no longer owns the facility. She is going to contact the manager to confirm that there is not any expected funds moving forward.

b. **District Indigent Care Director Report**

Mrs. Davis was called on next to present the Indigent Care report for September 2025 via zoom 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 the Board that he had nothing to report outside of the previously discussed Agenda Items Nos. 10.

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 "C"**.

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 “D”**.

f. **LTC Report**

The Board was then directed to the September 2025 District Nursing Facility Report. (See **Exhibit “E”**). Mr. Scott Johnson was then called on to present the Long-Term Care report for September 2025. Mr. Johnson stated that he had spoken with representatives of Pillarstone Nursing Facility and expressed the District’s concerns regarding their low achievement rate under the QIPP program. Mr. Johnson reported that, according to Pillarstone, they have been actively working to improve their QIPP metrics and indicated that they anticipate higher achievement rates in the upcoming 4th Quarter of Year 8.

g. **Hospital Report**

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

2025											
Census	2024 YTD	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	YTD Monthly Average
ER Visits	262	273	237	281	311	326	304	302	333	307	297
Conversion to Inpatient/observation	26	30	28	26	35	35	27	22	30	25	29
Percentage	10%	11%	12%	9%	11%	11%	9%	7%	9%	8%	10%
Transferred out of ER	11	21	9	12	17	6	9	6	11	9	11
Percentage Transferred out to ER	4%	8%	4%	4%	5%	2%	3%	2%	3%	3%	4%
ER shifts covered by doctors	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	51	70	50	43	60	39	54
Number Hospice days	0	0	0	2	0	0	0	0	0	0	0
Number Swingbed days	17	11	11	6	13	6	14	20	11	28	13
Number Observation days	34	36	23	34	34	37	29	17	18	51	31
Total All Inpt. Days	123	106	103	85	98	113	93	80	89	118	98
Average Inpatient days per day	4	3.42	3.68	2.74	3.27	3.65	3.10	2.58	2.87	3.93	3.25
CTs (# tests)	95	96	96	104	119	115	125	97	115	100	107
Xrays (# tests)	239	270	238	232	216	262	263	281	256	245	251
Ultrasounds (# tests)	25	17	20	24	27	13	30	33	20	34	24
Labs-Covid (#encounters)	43	29	34	38	23	24	32	22	61	56	35
Labs-RPP (#encounters)	46	53	40	27	19	21	10	14	22	78	32
Labs-All Other (# encounters)	600	647	743	717	657	714	716	725	721	838	720
Encounters - Adult Clinic	200	217	256	264	298	300	278	346	265	252	275
Encounters - Pediatric Clinic	138	78	94	93	134	146	108	128	190	142	124
Behavioral Health patients	44	47	50	49	49	44	44	47	49	45	47
Physical Therapy	1	2	6	3	2	1	1	0	0	1	2
Labs from FOHQ (# tests)		7	0	0	0	0	0	2	0	0	1
Radiology from FOHQ (# tests)		28	32	29	24	16	13	26	27	30	25
Labs from Physician 1 (# tests)		2261	2769	2040	2,175	2457	1700	1479	856	1534	1,919
Radiology from Physician 1 (# tests)		0	0	0	0	0	0	0	0	0	0
Labs from Physician 2 (# tests)		1129	1437	1381	1,158	865	974	1254	927	1080	1,134
Radiology from Physician 2 (# tests)		0	0	0	0	0	0	0	0	0	0
Labs from Physician 3 (# tests)		424	959	520	507	834	851	1035	856	934	769
Radiology from Physician 3 (# tests)		14	14	7	6	0	0	0	0	0	5

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	297	232
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	54	104
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.48	8.64
Number Hospice days	12	5	9	4	2	0	0	5
Number Swingbed days	16	47	48	65	22	17	13	33
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	1.11	2.71
Number Observation days	18	23	25	33	39	34	31	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	3.25	5.58
CTs	42	57	64	67	80	95	107	73
Xrays	204	228	287	249	211	239	251	238
Ultrasounds	23	16	37	35	20	25	24	26
Labs-Covid (#encounters)	0	0	0	460	47	43	35	84
Labs-RPP (#encounters)	0	0	0	120	77	46	32	39
Labs-All Other (# encounters)	0	0	0	331	633	600	720	326
Encounters - Adult Clinic	576	479	486	294	230	200	275	363
Encounters - Pediatric Clinic	283	209	225	252	208	138	124	206
Behavioral Health patients	57	11	13	38	43	44	47	36
Physical Therapy	5	0	0	1	3	1	2	2

Mr. Mo Danishmund, Chief Financial Officer of the Winnie Community Hospital, provided the Board with an update on the IRS matter related to the prior tax issues involving the Hospital's prior owner. Mr. Danishmund reported that the IRS has stopped withdrawing funds from the Hospital's account, and the Hospital is now working to recover the amounts previously taken. However, he further explained that the IRS is currently holding the funds on the basis of the IRS's new claim that the Hospital failed to offer health insurance to all of its employees. Mr. Danishmund stated that this claim is incorrect and that the Hospital has submitted all supporting documentation to the IRS demonstrating full compliance.

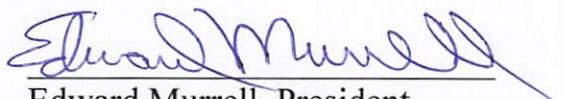
10. Discuss and take-action, if necessary, on Oak Grove request for an extension on the CHOW Advance.

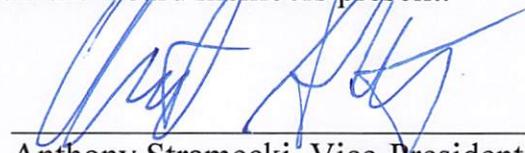
Turning to Agenda Item 10, the Board discussed the outstanding balance owed by the Oak Grove facility ("Facility"). Oak Grove Nursing Home ("Oak Grove" or "Facility") currently owes the District \$929,288.10 for a CHOW Interim Advanced Working Loan that is due and payable on December 31, 2025. The District previously granted the owners of the Facility a two (2) month extension to make this repayment. However, Oak Grove has now requested an additional extension, seeking to move the repayment deadline into 2026. Oak Grove further advised that the

Facility's owner is willing to transfer \$800,000.00 from his brokerage account to the District in order to bring the account current and represented that such payment could be made during the week following the October 22, 2025 meeting, or the week thereafter. In return, Oak Grove asked that, upon receipt of the \$800,000.00 payment, the District release the weekly funds it has been withholding due to the fact that the Facility was in breach of the Amendment to the Management Agreement.

The Board considered Oak Grove's request for an extension on its CHOW Advance obligations. After reviewing the facility's proposed repayment plan, Director Stramecki moved that the District begin withholding thirteen thousand dollars (\$13,000) per week from the weekly transfers beginning immediately. The motion further provided that continued weekly payments are contingent upon Oak Grove remitting the \$800,000.00 payment prior to next week's scheduled transfer. Upon receipt of that payment, the District will accept a minimum payment of \$13,000.00 per week for nine (9) weeks. However, if the \$800,000.00 payment is not received before next week's transfer, the District shall withhold all payments to Oak Grove until: (1) the District receives a full reconciliation of funds transferred to Oak Grove compared to the actual Accrued Medicaid Vendor Payments (frozen funds) is delivered; and (2) the District receives all Accrued Medicaid Vendor Payments. Director Rollo seconded the motion, and it was unanimously approved by the Board.

At the conclusion of the meeting, President Murrell called for any other such matters before the Board. There being none, a motion was made by Director Stramecki at 6:47 p.m. to adjourn. There being none, a motion was seconded by Director Way and unanimously approved by all the Board members present.


Edward Murrell, President


Anthony Stramecki, Vice-President