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., January 21, 2026 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
Mr. Kaleb Norris	Coastal Gateway Health Clinic ("Clinic")
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital
Mr. Mo Danishmund	CFO, Riceland Hospital
Mrs. Patricia Ojeda	Community Health Director
Mr. Chris Rutledge	New Light/LTC
Mrs. Kacy Vratis	Resident/Former Board Member
Mr. Andy Legg	Chairman, Chambers County Public Hospital District, No. 1 ("Chambers Health")
Mrs. Annette Abernathy	Vice-Chairman, Chambers County Public Hospital District, No. 1
Ms. Ann Newton	Chief Executive Officer, Chambers County Public Hospital District, No. 1

Mrs. Elissa Lofgren	Health Center Executive Director, Chambers County Public Hospital District, No. 1

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

5. **Review and Approve Minutes of Previous Meetings held on December 17, 2025 Public Hearing and Regular Meeting and December 30, 2025 Special Meeting.**

President Murrell then asked the Board to review and approve the minutes from the December 17, 2025 Public Hearing and Regular Meeting and the December 30, 2025 Special Meeting.

Director Stramecki made a motion to approve the minutes of the December 17, 2025 Public Hearing and Regular Meeting and the December 30, 2025 Special Meeting. This motion was seconded by Director Way and unanimously approved by all the Board Members.

12. **Discuss and take-action, if necessary, on request by Chambers Health to participate in the Meals on Wheels program.**

Next, President Murrell asked the Board to move to Agenda Item 12 to discuss and possibly take action on the request from Chambers County Public Hospital District No. 1 ("Chambers Health") to participate in the Meals on Wheels / Chambers County Home Delivered Meals Program. (*See* **Exhibit "A"**). Mr. Andy Legg, Chairman of the Chambers County Public Hospital District No. 1, together with Ms. Ann Newton, Chief Executive Officer of Chambers County Public Hospital District No. 1. Mr. Legg and Ms. Newton explained the purpose of the Program, including improving access to home-delivered meals for eligible residents and utilizing Chambers Health's existing infrastructure to administer and deliver services. Specifically, the request contemplated that Chambers Health would administer and deliver home-delivered meal services for eligible residents located within the County, including the District's Boundaries, using Chambers Health's existing infrastructure, and that the District would contribute funds in an amount not to exceed $50,000.00 during 2026, subject to annual appropriation and to Chambers Health's submission of monthly invoices (due no later than the 10th day of each month) with accompanying monthly reports showing year-to-date actuals, with WSHD paying undisputed amounts no later than the last day of the month in which the invoice is received, all as reflected in the Interlocal Agreement between the parties.

Following discussion, Director Stramecki made a motion to approve the Interlocal Agreement with Chambers County Public Hospital District No. 1 ("Chambers Health") for participation in the Meals on Wheels / Chambers County Home Delivered Meals Program, including a District funding contribution in an amount not to exceed $50,000.00 during 2026, subject to annual appropriation and the invoicing/reporting provisions described above. The motion was seconded by Director Rollo and unanimously approved by all Board Members.

6. **Review and approve Accountant's report and financials report for monthly payment of invoices; and adopt any budget amendments, if necessary.**

Following the review and approval of the minutes, President Murrell advised the Board that, because Mrs. MaKayla Vidal, the District's CPA, was on maternity leave, the financial review for this meeting would consist of the Treasurer's Report and approval of invoices. He further noted that the Board would review the December 2025 year-end financials together with the January 2026 financials at the next regular meeting.

This month, Mrs. Carlo presented the Treasurer's Report for January 21, 2026. (*See* **Exhibit "B-1")**. Mrs. Carlo opened the report with a review of the invoices proposed for payment during the reporting period, as outlined below.

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Pending Expenses	For	Amount
Bayside Dental	SP Program	$1,320.00
Brookshire Brothers	Indigent Care	$2,520.16
CABA Therapy Services dba Physio	SP Program	$183.69
Coastal Gateway Health Center	Indigent Care	$1,599.05
Dr. June Stansky	SP Program	$60.00
Kalos Counseling	Youth Counseling	$255.00
Thompson Outpatient Clinic, LLC	Indigent Care	$273.39
UTMB at Galveston	Indigent Care	$21,146.11
UTMB Faculty Group Practice	Indigent Care	$3,881.39
Wilcox Pharmacy	Indigent Care /Charity Care	$1,367.42
$25 Optical	SP Program	$150.00
Benckenstein & Oxford	Invoice No 51637	$25,409.00
Graciela Chavez	Invoice 965993	$160.00
US Department of Education	Acct# 1778777782 - Benjamin Odom	$1,801.60
3Branch & More	Inv # 46034	$8,831.67
Function4	INV1261746	$135.00
Technology Solutions	Inv # 2007	$158.15
Indigent Healthcare Solutions	Indigent Care Inv # 81199	$2,023.00
Vidal Accounting Services	Invoice 00124	$8,925.00
Hubert Oxford	Retainer	$1,000.00
The Seabreeze Beacon	Inv# 8798	$380.00
Curtis Scott Johnson	Inv # WSHD202511 (1800.00)& WSI	$3,300.00
Barrier Reef Emergency Physicians	Indigent Care	$97.49
The Hometown Press	Inv# 4729 (72.00) & 4757 (375.00)	$447.00
TX Organization of Rural & Community	Inv# 2239765	$1,895.00
	Total Expenses	**$87,319.12**

Once the Board reviewed the invoices Mrs. Carlo 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)	$875,282.46
First Financial DACA (Unrestricted)	$1,361,883.48
First Financial DACA (Restricted)	$685,799.79
First Financial Money Market	$23,946,311.62
TexStar (Restricted)	$7,189,937.94
FFB CD Balance	$0.00
Total District Funds	**$34,059,215.29**
Less First Financial (Restricted)	($685,799.79)
Less TexStar Restricted Amount	($500,000.00)
Less LOC Outstanding	$0.00
Less First Financial Money Market	$0.00
Less Committed Funds (*See Total Committement*)	($1,601,763.25)
Cash Position (*Less First Financial Restricted*)	**$31,271,652.25**
Pending Expenses	($87,319.12)
Ending Balance (Cash Position-*Pending Expenses*)	$31,184,333.13
*Total Funds (*Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans*)	**$32,096,823.41**

According to Mrs. Carlo, the District's total funds available as of the reporting period were $31,271,652.25 and the District's Total Funds were $32,096,823.41.

Regarding the remainder of the Treasurer's Report, Mrs. Carlo updated the

Board on the District's Committed Funds; Advance to Hospital for the DY-8 Repayment and IRS Advance Repayment; Interim Working Capital advances ("CHOW Advance"); and outstanding loan balances. (*See* Exhibit **"B-1"**).

Following the review of the Treasurer's Report, Mrs. Carlo asked the Board to review the bank register, which also includes the invoices previously listed and discussed. (*See* **Exhibit "B-2"**).

Upon the completion of the discussion of the financials and the budget amendment, 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 Treasurer's Report; (ii) pay the outstanding invoices; (iii) approve the Check Register as read. (*See* **Exhibit "B-1", and "B-2"**). This motion was seconded by Director Rollo and unanimously approved by all the Board members.

7. **Discuss and take-action on Committee Reports: a) Finance Committee; b) Indigent Healthcare Committee; c) Personnel Committee; and d) Hospital Liaison.**

Next, President Murrell asked the Committees if there were any reports but there were none.

8. **Receive reports, by:**

   a. **Administrator's Report**

During the Administrator's Report, Mrs. Carlo advised the Board that the District's Special Purpose District Public Information Report had been timely completed and submitted to the Texas Comptroller, reflecting the District's current operational, governance, and debt reporting information. Mrs. Carlo further reported on the status of the Oak Grove transaction and the related repayment obligation owed to the District. She explained that Oak Grove's repayment obligation of $377,288.10, previously directed to be paid by February 1, 2026, had not yet been satisfied because the Oak Grove sale was delayed and the closing was rescheduled for March 1, 2026. Mrs. Carlo recommended that the District defer enforcement action until after March 1, 2026, noting that she and General Counsel were comfortable that the transaction would be finalized. She further advised that, if the closing did not occur, Staff would proceed in accordance with the District's contractual remedies under the Management Agreement.

b. **District Indigent Care Director Report**

Next, President Murrell called on Mrs. Davis for the Indigent Care Director Report. Mrs. Davis reviewed the monthly report on active clients and the District's programs and then directed the Board to her monthly reports and the following charts and asked if there were any questions. (*See* **Exhibit "C"**).

c. **Grant Report and Community Health Worker Report**

Mrs. Carlo was asked to then give the District's Grant Report and Community Health Worker Report. Complete copies of the reports are attached as **Exhibit "D"**.

d. **District General Counsel Report**

Attorney Oxford did not have anything further to report other than what was to be discussed during on agenda item below.

e. **Coastal Gateway Report**

Turning to the Coastal Gateway report, Dr. Lyons presented 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 January 2026 LTC Report. This month, Mr. Johnson reviewed the report. (*See* **Exhibit "F"**). Mr. Scott Johnson presented the January 2026 Nursing Facility report.

Thereafter, Mr. Chris Rutledge quickly informed the Board that he expected to receive the 2025 QIPP Year 8, Adjustment payment before the next meeting and would report to the District once it is received.

g. **Hospital Report**

Following the LTC Report, President Murrell called on Mr. Javid to discuss the Hospital's report. Mr. Javed thanked President Murrell for the opportunity present the Hospital's December 2025 monthly report and the year-to-date comparison from previous years, which is as follows:

2025													
Census	2024 YTD	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	YTD Monthly Average
ER Visits	262	273	237	281	311	326	304	302	333	307	294	274	295
Conversion to Inpatient/observation	26	30	28	26	35	35	27	22	30	25	21	22	27
Percentage	10%	*11%*	*12%*	*9%*	*11%*	*11%*	*9%*	*7%*	*9%*	*8%*	*7%*	*8%*	9%
Transferred out of ER	11	21	9	12	17	6	9	6	11	9	14	13	12
Percentage Transferred out to ER	4%	*8%*	*4%*	*4%*	*5%*	*2%*	*3%*	*2%*	*3%*	*3%*	*5%*	*5%*	4%
ER shifts covered by doctors	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	73	59	69	43	51	70	50	43	60	39	43	37	51
Number Hospice days	0	0	0	2	0	0	0	0	0	0	0	0	0
Number Swingbed days	17	11	11	6	13	6	14	20	11	28	0	2	11
Number Observation days	34	36	23	34	34	37	29	17	18	51	30	16	30
Total All Inpt. Days	123	106	103	85	98	113	93	80	89	118	73	55	92
Average Inpatient days per day	4	3.42	3.68	2.74	3.27	3.65	3.10	2.58	2.87	3.93	2.35	1.83	3.04
CTs (# tests)	95	96	96	104	119	115	125	97	115	100	130	81	107
Xrays (# tests)	239	270	238	232	216	262	263	281	256	245	288	224	252
Ultrasounds (# tests)	25	17	20	24	27	13	30	33	20	34	32	32	26
Labs-Covid (#encounters)	43	29	34	38	23	24	32	22	61	56	27	46	36
Labs-RPP (#encounters)	46	53	40	27	19	21	10	14	22	78	106	79	43
Labs-All Other (# encounters)	600	647	743	717	657	714	716	725	721	838	916	739	739
Encounters - Adult Clinic	200	217	256	264	298	300	278	346	265	252	245	216	267
Encounters - Pediatric Clinic	138	78	94	93	134	146	108	128	190	142	126	142	126
Behavioral Health patients	44	47	50	49	49	44	44	47	49	45	46	42	47
Physical Therapy	1	2	6	3	2	1	1	0	0	1	3	3	2
Labs from FQHQ (# tests)		7	0	0	0	0	0	2	0	0	12	6	2
Radiology from FQHQ (# tests)		28	32	29	24	16	13	26	27	30	30	31	26
Labs from Physician 1 (# tests)		2261	2769	2040	2,175	2457	1700	1479	856	1534	4472	3814	2,323
Radiology from Physician 1 (# tests)		0	0	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	1779	950	1,176
Radiology from Physician 2 (# tests)		0	0	0	0	0	0	0	0	0	0	0	0
Labs from Physician 3 (# tests)		424	959	520	507	834	851	1035	856	934	983	847	795
Radiology from Physician 3 (# tests)		14	14	7	6	0	0	0	0	0	0	0	4

Yearly Averages								
Census	2019	2020	2021	2022	2023	2024	2025-YTD	Average
ER Visits	190	174	220	229	249	262	295	231
Conversion to Inpatient/observation	10	13	21	20	26	26	27	20
Percentage of Converted Patients	*5%*	*7%*	*9%*	*9%*	*10%*	*10%*	*9%*	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	51	103
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.27	8.61
Number Hospice days	12	5	9	4	2	0	0	5
Number Swingbed days	16	47	48	65	22	17	11	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.92	2.69
Number Observation days	18	23	25	33	39	34	30	29
Total All Inpt. Days	104	190	273	255	144	123	92	169
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.04	5.55
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	26	26
Labs-Covid (#encounters)	0	0	0	460	47	43	36	84
Labs-RPP (#encounters)	0	0	0	120	77	46	43	41
Labs-All Other (# encounters)	0	0	0	331	633	600	739	329
Encounters - Adult Clinic	576	479	486	294	230	200	267	362
Encounters - Pediatric Clinic	283	209	225	252	208	138	126	206
Behavioral Health patients	57	11	13	38	43	44	47	36
Physical Therapy	5	0	0	1	3	1	2	2

Otherwise, Mr. Danishmund and Mr. Javid presented the District's Board with a plaque of appreciation. According to the two (2) hospital representatives, the Hospital appreciates all the efforts by the District to work with the Hospital to improve services to the residents of District.

9. **Discuss and take-action, if necessary, on approving meeting calendar for 2026.**

Next Staff presented a recommendation to change certain regular meeting dates from the third (3rd) Wednesday of the month to a later time to so that staff would have more time to gather invoices, reconcile, and prepare for approval. The months staff requested be changed were February (from February 18, 2026, to February 25, 2026); March (from March 18, 2026, to March 25, 2026); April (from April 15, 2026, to April 22, 2026); June (from June 17, 2026, to June 24, 2026); July (from July 15, 2026, to July 22, 2026); and September (from September 16, 2026, to September 23, 2026). After discussion, the Board agreed with Staff's recommendations for April (April 15, 2026, moved to April 22, 2026), July (July 15, 2026, moved to July 22, 2026), and September (September 16, 2026, moved to September 23, 2026), and elected to leave the remaining meeting dates unchanged.

A motion was then made by Director Stramecki to change the 2026 regular meeting dates for April, from April 15, 2026, to April 22, 2026; July, from July 15, 2026, to July 22, 2026; and September, from September 16, 2026, to September 23, 2026, with all remaining 2026 regular meeting dates to remain unchanged. The motion was seconded by Director Way, and unanimously approved by all the Directors.

10. **Discuss and take-action, if necessary, on any outstanding grant requests.**

With respect to Agenda Item 10, Discuss and take-action, if necessary, on any outstanding grant requests, Director Stramecki requested that the item be tabled. Director Stramecki explained that the grant request to be considered related to Winnie-Stowell Volunteer EMS for the 2026 grant cycle, and that Anthony had not had sufficient time prior to the meeting to speak with the Manager of the Winnie-Stowell Volunteer EMS regarding the request. He therefore asked that the Agenda Item be tabled.

Consequently, a motion was made by Director Stramecki to table this Agenda Item. This motion was seconded by Director Way and unanimously approved by all the Board Members.

11. **Discuss and take-action, if necessary, on engaging architect for health clinic facility.**

President Murrell then called on Attorney Oxford to discuss the next Agenda Item. Attorney Oxford explained that he had been working with THR3E Design LLC to finalize contract terms for architectural services related to the proposed Winnie Medical Clinic. Attorney Oxford explained that the purpose of the agreement was to engage THR3E on an hourly basis to refine and build upon the firm's prior programming and feasibility work for Coastal Gateway and to support the District's evaluation of the proposed clinic project. The proposed agreements consist of an AIA B102-2017 Owner-Architect agreement, with the scope of services defined by AIA B202-2020 (Programming), and compensation structured on an hourly basis subject to a not-to-exceed amount of $40,000.00. (*See* **Exhibit "G-1" and "G-2"**). Attorney Oxford advised that the agreement was ready for execution and highlighted that Exhibit C to the AIA B202-2020 agreement included control costs for any supplemental work, reimbursable expenses, consultants, or other out-of-pocket charges, including a provision limiting the Architect's authority to incur such "Controlled Costs" to an aggregate of $500.00 without prior written authorization from the Board President.

Subsequently, a motion was by Director Stramecki to approve the AIA B102-2017 Owner-Architect agreement with THR3E Design LLC for hourly architectural services associated with the proposed Winnie Medical Clinic, together with the incorporated scope of services under AIA B202-2020 (Programming), compensation structured on an hourly basis subject to a not-to-exceed amount of $40,000.00, and the inclusion of Exhibit C Cost Control Provisions limiting the Architect's authority to incur Controlled Costs to $500.00 without prior written authorization from the Board President.

13. **Discuss and take-action, if necessary, on approving Intergovernmental Transfer for DY-15 Uncompensated Care Program.**

Staff presented the Board with a request from Winnie Community Hospital regarding an Intergovernmental Transfer ("IGT") associated with the DY 15 Uncompensated Care Program advance payment. Staff advised that the maximum IGT amount for DY 15 was expected to be $99,490.79, and that the IGT was required to be submitted through TexNet no later than close of business on February 2, 2026, with the related journal entry due no later than February 9, 2026. Staff further advised that, if approved, the IGT was expected to result in a return to the hospital of up to $247,674.37 in Uncompensated Care funds.

After reviewing the request, a motion was made by Director Stramecki to authorize an IGT for DY-15 in an amount up to $100,000.00. This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

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 February 18, 2026. A motion was then made by Director Stramecki at 7:30 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