MINUTES FOR THE SPECIAL 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 three (3) business days prior to the opening of said meeting at 2:30 p.m. on April 1, 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.

1. Call the Meeting to Order

At approximately 2:32 p.m., the meeting was convened, and the 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. In addition to the above-named Board members, also present at the meeting were:

Mrs. Victoria Carlo	Administrator
Mr. Hubert Oxford, IV	General Counsel for the District
Mr. Mo Danishmund	Riceland Medical Hospital
Ms. Jennifer Higgins	THR3E Design LLC
Mr. Carlos Villagomez	THR3E Design LLC

4. Public Comment

Following the introduction of guest(s) and the Pledge of Allegiance, President Murrell then asked those in attendance for any public comment. Since there was none, the President asked for the Board Members to move to Agenda Item No. 5.

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5. Discuss and take-action, if necessary, on approving the Intergovernmental Transfer for the ATLIS program as requested by the Winnie Community Hospital.

President Murrell then called on staff to explain this agenda item. Staff provided an update regarding the ATLIS SFY 2026 (Year 2) Intergovernmental Transfer (IGT) program, including receipt of Declaration of Intent materials on March 24, 2026 and the upcoming deadline of April 10, 2026. Staff reported that the District had received a partially completed Declaration of Intent and IGT commitment form from Riceland Medical Center, which had been prepared using prior year's information, and that key financial inputs and program details for SFY 2026 were not yet available at that time. Staff noted that, as of March 24, 2026, it was unclear whether the program would proceed for SFY 2026, and that additional guidance and funding information were expected from state and industry sources, including TORCH, prior to the submission deadline.

Staff then reported that, based on guidance from program representatives, the District may be asked to make a single funding contribution for the SFY 2026 program year rather than multiple payments. Staff indicated that a total estimated IGT commitment of $117,000.00 had been suggested as a reasonable amount to cover the full program year; however, staff emphasized that the Declaration of Intent reflects a non-binding commitment only and does not obligate the District to fund the amount unless and until final program details and funding requirements are confirmed.

Thereafter, a motion was made by Director Stramecki, to authorize submission of the Declaration of Intent for participation in the ATLIS SFY 2026 (Year 2) IGT program reflecting an estimated amount of $117,000.00, with no obligation to fund unless and until final program details are confirmed and approved by the Board. This motion was seconded by Director Rollo and unanimously approved by all the Board members.

6. Discuss and take action, if necessary, on the following:

(a) Approval of a traditional Owner-Architect Agreement with THR3E Design LLC for architectural services, transitioning from the current programming/services phase under the AIA B202-2020 agreement to a full-service architectural engagement;

(b) Determine and adopt the appropriate procurement method for construction services in compliance with applicable Texas laws,

including receipt of recommendations from the Architect regarding best value procurement, competitive sealed proposals, or other authorized methods, and authorize the Architect to proceed with implementation of the selected procurement method, including preparation of procurement documents and solicitation of proposals for the Project.

President Murrell, together with representatives of THR3E Design LLC ("THR3E"), presented this agenda item to the Board. The discussion began with a detailed review of the proposed Owner-Architect Agreement, including the transition from the prior programming phase under the AIA B202-2020 agreement to a full-service architectural engagement under an AIA B101 agreement. Representatives of THR3E explained that the agreement covers all phases of the project, including schematic design, design development, construction documents, bidding and negotiation, and construction phase administration, as well as coordination of all required engineering and specialty consultants. *See* **Exhibit "A"**.

The Board reviewed the scope of the proposed project, including development of a new medical clinic facility, and discussed the anticipated size, overall project budget, and design approach. Representatives of THR3E also reviewed the proposed project schedule and the sequencing of design and construction activities.

The parties then reviewed the proposed fee structure in detail. The Architect of Record fee was presented as $395,500.00, with additional consultant fees for structural engineering of $55,000.00 and MEP engineering of $143,500.00, for a total basic services A/E fee of $594,000.00. Additional consultant services were also reviewed, including civil engineering services of $126,960.00, landscape design of $10,500.00, furniture design of $28,000.00, windstorm inspection services of $5,000.00, and low voltage and security consulting of $18,200.00, among other related services. Total additional consultant costs were presented as $188,660.00. In total, the combined architectural and consultant fees for the project were presented as $782,660.00. Representatives of THR3E also explained the allocation of fees across the various project phases, including schematic design, design development, construction documents, bidding and negotiation, and construction administration.

The discussion then turned to the appropriate procurement methodology for selecting the contractor for the project. Representatives of THR3E advised the Board regarding available procurement options under Texas law, including competitive sealed bidding, competitive sealed proposals, and construction manager delivery methods. The Board reviewed the Construction Manager-at-Risk Request for

Qualifications ("RFQ") included in the meeting packet and received an explanation from THR3E regarding the recommendation to utilize the CMAR delivery method. *See* **Exhibit "B"**.

THR3E explained that, under the Construction Manager-at-Risk ("CMAR") delivery method, the Board is required to publicly solicit qualifications from interested contractors in accordance with Texas Government Code Chapter 2269, including Section 2269.253, and to select the construction manager-at-risk on the basis of demonstrated competence and qualifications, rather than lowest bid, using published evaluation criteria and a best value standard. The process allows the Board to shortlist the most qualified firms and conduct interviews, after which the Board will select the highest-ranked firm and negotiate a guaranteed maximum price, with the ability to proceed to the next-ranked firm if negotiations are unsuccessful.

THR3E further explained that this method allows for early involvement of the contractor during the design phase, including the provision of preconstruction services such as cost estimating, scheduling, and value engineering. The Board discussed that this approach enables the early selection of a qualified contractor while maintaining pricing control through the negotiated guaranteed maximum price, and is intended to improve cost certainty, reduce the risk of change orders, enhance coordination among the architect, consultants, and contractor, and better align the project scope and budget prior to commencement of construction.

After the discussion on these matters, a motion was made by Director Stramecki to approve the Owner-Architect Agreement with THR3E Design LLC for full-service architectural services, transitioning from the prior AIA B202-2020 programming phase to an AIA B101 agreement, and to adopt the Construction Manager-at-Risk procurement method in accordance with Texas Government Code Chapter 2269, including authorization for the issuance of a Request for Qualifications, evaluation of submissions, conducting interviews, selection of the most qualified firm, and negotiation of a guaranteed maximum price, and further authorizing THR3E Design LLC to assist with preparation of procurement documents and implementation of the selected procurement process for the Project. This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

Upon the conclusion of the discussion of the agenda items, President Murrell then called for any other such matters before the Board. There being none, President Murrell confirmed the next Regular Meeting was scheduled for April 22, 2026 at 6:00 p.m. A motion was then made by Director Stramecki at 3:30 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