

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 (the "District") was posted pursuant to the Texas Open Meetings Act three (3) business days prior to the opening of said meeting for 6:00 p.m., May 20, 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 6:08 p.m., the meeting was convened by President Murrell, 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
Kay Wilcox	Director

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. Hubert Oxford, IV	General Counsel for the District
Mrs. Makayla Vidal	District CPA
Mr. Chris Rutledge	LTC Group
Ms. Kaley Smith	Chief Executive Officer, Coastal Gateway Health Clinic ("Clinic")
Mr. Kaleb Norris	Coastal Gateway Health Clinic
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Hospital
Mr. Mo Danishmund	CFO, Riceland Hospital ("Hospital")
Ms. Jessica Foster	White Construction, guest

Following the introduction of guests, the Board recited the Pledge of Allegiance to the United States flag and the Pledge to the Texas flag. President Murrell then invited public comment. No public comment was presented. Mrs. Carlo

also reported that a previously anticipated issue related to an open records request had been resolved before the meeting because the request had been withdrawn.

5. Review and approve minutes of the April 22, 2026 Regular Meeting and the April 29, 2026 Special Meeting.

President Murrell then asked the Board to review and approve the minutes from the April 22, 2026 Regular Meeting and the April 29, 2026 Special Meeting. The Board discussed that the Board packet was comprehensive and had been distributed electronically to avoid unnecessary printing expense.

Director Stramecki then made a motion to approve the minutes of the April 22, 2026 Regular Meeting and the April 29, 2026 Special Meeting. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

6. Review and approve financial report; Treasurer's Report; payment of invoices; and amending the 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 financial report for April 2026. Mrs. Vidal then turned to the April financial statements and reported on the District's Balance Sheet and Profit and Loss Budget versus Actual through April 30, 2026. (See Exhibit "A-1").

According to the Balance Sheet, as of April 30, 2026, the District had total checking and savings of \$47,113,462.89, total current assets of \$234,882,445.51, total fixed assets of \$3,887,534.63, total assets of \$238,782,786.62, total liabilities of \$181,219,576.32, and total equity of \$57,563,210.30.

Mrs. Vidal also reviewed the Profit and Loss Budget versus Actual through April 30, 2026. According to the report, the District had total income of \$40,834,454.53, total expenses of \$40,325,491.93, net ordinary income of \$508,962.60, net other income of \$9,626.71, and net income of \$518,589.31. Mrs. Vidal further noted the receipt of opioid abatement funds in the amount of \$49,550.27 and advised that the funds had not yet been spent.

The Board also discussed the property acquisition and development budget and the proposed health clinic project. It was noted that the District had issued a check to the architects for clinic-related work and that two (2) separate sub-accounts

had been created under the property acquisition line item. The Board acknowledged that a budget amendment would be needed to account for anticipated construction costs because the current budgeted amount for the applicable line item would not be sufficient for the project.

Next, Mrs. Vidal was asked to review the Treasurer's Report for May 20, 2026. (See Exhibit "A-2"). Mrs. Vidal then reviewed the report by presenting the invoices proposed for payment during the reporting period, as outlined below.

Pending Expenses	For	Amount
Bayside Dental	SP Program	\$880.00
Brookshire Brothers	Indigent Care	\$2,638.10
Seabreeze Beacon	Invoice #9147	\$501.40
Coastal Gateway Health Center	Indigent Care	\$496.11
Dr. June Stansky	SP Program	\$60.00
Kalos Counseling	Youth Counseling	\$680.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$1,004.07
UTMB at Galveston	Indigent Care	\$13,275.66
UTMB Faculty Group Practice	Indigent Care	\$2,063.67
Wilcox Pharmacy	Indigent Care /Charity Care	\$1,733.38
\$25 Optical	SP Program	\$150.00
Benckenstein & Oxford	Invoice No 51726	\$22,910.00
Graciela Chavez	Inv April Services & Inv #965998	\$430.00
US Department of Education	Acct# 1778777782 - Ben Odom	\$1,801.60
3Branch & More	Inv # 46153	\$8,831.67
Function4	INV1289405	\$135.00
Technology Solutions	Inv # 2044	\$152.00
Indigent Healthcare Solutions	Indigent Care Inv # 81874	\$2,023.00
Vidal Accounting Services	Invoice 00140	\$5,600.00
Hubert Oxford	Retainer	\$1,000.00
Kahla Home & Earth Solutions	Inv # 1202226-R-0005 & Inv #033128	\$3,300.00
Coastal Gateway Health Center	Grant Payment	\$15,575.82
Philadelphia Insurance Companies	Inv# 2009380638	\$14,538.00
3Desgin	Inv# 2074 Architect	\$17,707.92
Curtis Scott Johnson	Inv# WSHD202603 & WSHD202604	\$2,970.00
Benckenstein & Oxford	Inv# 514201(CR - Afton Oaks)	\$6,200.00
Total Expenses:		\$126,657.40

After the Board reviewed 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)	\$593,016.53
First Financial DACA (Unrestricted)	\$1,486,654.09
First Financial DACA (Restricted)	\$2,254,284.51
First Financial Money Market	\$27,076,072.51
TexStar (Restricted)	\$7,277,041.97
FFB CD Balance	\$0.00
Total District Funds	\$38,687,069.61
Less First Financial (Restricted)	(\$2,254,284.51)
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>)	(\$1,128,826.51)
Cash Position (<i>Less First Financial Restricted</i>)	\$34,803,958.59
Pending Expenses	(\$126,657.40)
Ending Balance (<i>Cash Position-Pending Expenses</i>)	\$34,677,301.19
*Total Funds (<i>Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans</i>)	\$35,407,562.14

According to Mrs. Vidal, the District's cash position, after pending expenses, was \$34,803,658.59 as of the reporting period. The District's Total Funds were \$35,407,562.14. Compared to the prior month, this reflects an increase of \$223,084.38 in the ending cash position and an increase of \$193,891.72 in Total Funds.

Regarding the remainder of the Treasurer's Report, Mrs. Vidal provided the Board with an update on the District's committed funds, outstanding advances, and remaining repayment obligations. (*See Exhibit "A-2"*). Mrs. Vidal first reviewed the District's Committed Funds and reported that the District had \$1,128,826.51 in committed funds remaining as of the reporting period. This amount included \$866,995.63 committed for 2026 FQHC grant funding, \$185,443.68 committed for East Chambers Independent School District, and \$76,387.20 committed for Winnie-Stowell Volunteer EMS. Mrs. Vidal then reviewed the Advance to Hospital for the DY-8 Repayment and IRS Advance Repayment and reported that the remaining Hospital repayment balance owed to the District was \$352,972.85. Mrs. Vidal also updated the Board regarding the Interim Working Capital advances related to the change of ownership transaction, referred to as the "CHOW Advance," and reported that the total CHOW loan balance outstanding was \$165,248.16. Finally, Mrs. Vidal reviewed the District's outstanding loan balances and answered some questions from the Board regarding the same.

Following the review of the Treasurer's Report, Mrs. Vidal asked the Board to review the bank register, which also includes the invoices previously listed and discussed. (*See Exhibit "A-3"*).

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 April 2026 financials; (ii) the Treasurer's Report; (iii) payment of the outstanding invoices; and (iv) the Check Register as read. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present except for Director Wilcox, who abstained.

- 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. Building Committee: Dir. Way and Dir. Murrell.**

President Murrell then asked whether any committees had reports. There were none other than the Building Committee report. Thus, speaking for the Building Committee, President Murrell and Director Way advised the Board that the Building Committee had met with the architect for the new clinic on two (2) occasions and had reviewed and discussed revisions to the proposed clinic layout and overall building size. The Board was advised that the current clinic footprint includes fifteen (15) exam rooms and one (1) procedure room, and that the proposed building size had been reduced from approximately 24,000 square feet to approximately 14,000 square feet. No action was taken.

- 8. Receive reports, by: a. District Administrator; b. District Indigent Care Director; c. District General Counsel; d. Grant Report; e. Coastal Gateway Report; f. LTC Report; and g. Hospital Report.**

a. District Administrator: Mrs. Carlo provided the Administrator's Report and updated the Board regarding District hiring, office building work, IT setup, the salvage building bid process, community engagement, employee benefit renewals, opioid abatement funds, and Riceland's upcoming crawfish boil. In connection with her report, Mrs. Carlo provided the following specific updates:

- The District had received nearly two hundred (200) applications through Indeed for two (2) open positions, including an Administrative Assistant position and an Assistant to Administrator position. Mrs. Carlo reported that she had actively reviewed the applications and that first-round interviews were scheduled to begin the following day. She also reported that the District interviewed one (1) candidate through a temporary staffing agency after two

(2) interviews were scheduled, but one (1) candidate canceled after accepting another position elsewhere.

- She and President Murrell had reviewed the bids received for updates to the additional office building and selected Kahla Home & Earth Solutions. The work had been completed as of the prior week. The Board also discussed the need for lighting improvements and IT setup, and Mrs. Carlo reported that IT setup activities were expected to occur the following Tuesday as part of the office transition and building update process.
- The salvage building project had been posted for bids, that no bids had been received as of the date of the report, and that bids were due by June 1, 2026 at 2:00 p.m. The Board discussed the possibility of allowing removal of the building if no bids were received, provided that the person or entity acquiring the building would be responsible for removal.
- Regarding the opioid abatement funds, an earlier figure of approximately \$70,000.00 had been mentioned by the program contact in error, and the actual funds received by the District were \$49,550.27. Mrs. Carlo advised that reporting instructions were not expected until January and that the funds are permitted to roll over. Mrs. Carlo also reported that East Chambers Independent School District had expressed interest in use of the funds, including for Narcan supplies, and that a Finance Committee meeting needed to be scheduled before any commitment of funds is made.
- The District participated in the 2026 Graduation Special Edition of the Seabreeze Beacon in support of local graduates and community recognition efforts.
- The District had received the BCBSTX renewal rates effective July 1, 2026. Due to the termination of one employee, the Board discussed that the renewal increase would be minimal compared to the prior monthly premium and that considering alternative plans was not expected to produce better benefits at lower cost.

b. **District Indigent Care Director:** Next, President Murrell called on Mrs. Davis for the Indigent Care Director Report. Mrs. Davis reported that, in April 2026, the Indigent Care Program decreased by seven (7) clients, for a total of eighty-three (83) active clients. Mrs. Davis also reported that several of the clients who left

the program had already been renewed in May. (See **Exhibit “B”**).

Mrs. Davis reported that, as of the current reporting period, the program had utilized twenty-three percent (23%) of its overall budget, and there were no billing issues to report. Regarding active client trends, Mrs. Davis reported a year-to-date monthly average of eighty-nine (89) indigent care clients and five (5) youth counseling clients. Regarding April 2026 client activity, Mrs. Davis reported eleven (11) renewals, of which eight (8) were approved and three (3) were no-shows; five (5) late renewals or previous clients, of which two (2) were approved, one (1) was a no-show, and two (2) remained pending; and four (4) new applicants, of which one (1) was approved, one (1) did not return, and two (2) remained pending. Mrs. Davis also reported that three (3) clients used youth counseling benefits, five (5) clients used dental benefits, and three (3) clients used vision benefits during April.

c. **District General Counsel:** The District’s Attorney did not have anything to report and reserved his comments for the agenda items to be discussed later in the meeting.

d. **Grant Report:** Mrs. Carlo was then asked to give the District’s Grant Report and Community Health Worker Report. Mrs. Carlo reviewed the County van program and reported that the District had purchased a small SUV that is operated by the County to assist with transportation for individuals in need, and that the report also included County-wide fleet information. Mrs. Carlo also reviewed the EMS transfer ambulance program and advised the Board that billing and collections remain ongoing concerns, including the timing of billing submissions and the amount collected compared to gross billings. The Board discussed that the program was intended to become self-sustaining, that additional funding had been requested and declined during the current year, and that the District is evaluating its level of participation going forward.

Mrs. Carlo also reviewed the Community Health Worker Program and reported that the District funds the program to assist residents with applications for indigent care, Medicaid, prescription assistance, food assistance, disability benefits, housing, utilities, and other available benefit programs. Mrs. Carlo further reviewed the East Chambers Independent School District school nursing program, including the District’s support for school nurses, student insurance, screenings, and related school health services. Complete copies of the reports are attached hereto as **Exhibit “C”**.

e. **Coastal Gateway Report:** Turning to the Coastal Gateway report, Ms.

Smith presented Coastal Gateway's monthly report. A summary of the report is found in **Exhibit "D"**. Ms. Smith reported that Coastal Gateway's inaugural spring fundraising event was successful and would support emergency transportation needs and related community support efforts. She also reported that Coastal Gateway attended the Foundation for Southeast Texas Awards Ceremony in connection with funding awarded for the Coastal Care Box initiative.

Ms. Smith further reported that Coastal Gateway had been approved as a National Health Service Corps site, which may assist with clinician recruitment and potential loan repayment opportunities. She also updated the Board regarding planned outreach services for the Bolivar Peninsula, including a remote mobile mammography event scheduled for Crystal Beach.

Ms. Smith also reviewed Coastal Gateway's ongoing and pending grant matters, including rural health transformation funding, incubator funding, United Way funding, and small grant applications. She advised that certain grant applications remained pending, while others had been approved or were awaiting additional funding package information. Ms. Smith concluded by updating the Board regarding upcoming events and activities, including continued programming with Winnie Square, a movie event, and a presentation regarding health resources and initiatives.

f. **LTC Report:** Mr. Rutledge with LTC Group presented the Long-Term Care report and updated the Board on the timing of the Texas Health and Human Services Commission's request for Intergovernmental Transfers ("IGT") for the upcoming Quality Improvement Payment Program ("QIPP"). A copy of the nursing home report is set forth in **Exhibit "E"**.

Concerning the upcoming Intergovernmental Transfer ("IGT") for the Quality Improvement Payment Program ("QIPP"), Mr. Rutledge explained that the Texas Health and Human Services Commission had declined to move the IGT timing to align with the receipt of component funds due to concerns regarding the appearance of recycling IGT funds.

g. **Hospital Report:** Following the LTC Report, President Murrell called on Mr. Javed to discuss the Hospital's report. Mr. Javed thanked President Murrell for the opportunity to present the Hospital's April 2026 monthly report and the year-to-date comparison from previous years, which is as follows:

2026						
Census	2025 YTD	Jan	Feb	Mar	Apr	YTD Monthly Average
ER Visits	295	285	245	300	331	290
Conversion to Inpatient/observation	28	30	27	31	37	31
Percentage	9%	11%	11%	10%	11%	11%
Transferred out of ER	11	7	7	15	9	10
Percentage Transferred out to ER	4%	2%	3%	5%	3%	3%
ER shifts covered by doctors	0%	0%	0%	0%	0%	0%
Number Inpatient days	52	50	48	65	76	60
Number Hospice days	0	0	0	0	0	0
Number Swingbed days	10	0	0	10	18	7
Number Observation days	30	38	20	31	27	29
Total All Inpt. Days	93	88	68	106	121	96
Average Inpatient days per day	3	2.84	2.43	3.42	4.03	3.18
CTs (# tests)	107	98	114	114	125	113
Xrays (# tests)	256	264	239	286	308	274
Ultrasounds (# tests)	25	16	23	23	18	20
Labs-Covid (#encounters)	38	38	22	8	17	21
Labs-RPP (#encounters)	48	57	60	69	86	68
Labs-All Other (# encounters)	756	834	936	1028	1,146	986
Encounters - Adult Clinic	263	240	237	221	190	222
Encounters - Pediatric Clinic	127	89	112	116	107	106
Behavioral Health patients	46	37	39	45	47	42
Physical Therapy	2	0	0	0	0	0
Labs from FOHQ (# tests)	2	6	7	15	0	7
Radiology from FOHQ (# tests)	26	23	22	27	47	30
Labs from Physician 1 (# tests)	2381	1658	1517	896	3,094	1,791
Radiology from Physician 1 (# tests)	0	0	0	0	0	0
Labs from Physician 2 (# tests)	1192	1282	1432	862	1,064	1,160
Radiology from Physician 2 (# tests)	0	0	0	0	0	0
Labs from Physician 3 (# tests)	810	945	856	691	920	853
Radiology from Physician 3 (# tests)	4	0	0	0	0	0

Yearly Averages									
Census	2019	2020	2021	2022	2023	2024	2025	2026	Average
ER Visits	190	174	220	229	249	262	295	290	239
Conversion to Inpatient/observation	10	13	21	20	26	26	28	31	22
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	9%	11%	9%
Transferred out of ER	10	12	11	11	10	11	11	10	11
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	4%	3%	4%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	0%	0	26%
Number Inpatient days	58	115	191	154	81	73	52	60	98
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.35	4.98	8.16
Number Hospice days	12	5	9	4	2	0	0	7	5
Number Swingbed days	16	47	48	65	22	17	10	29	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.85	2.42	2.64
Number Observation days	18	23	25	33	39	34	30	29	29
Total All Inpt. Days	104	190	273	255	144	123	93	96	160
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.05	3.18	5.26
CTs	42	57	64	67	80	95	107	113	78
Xrays	204	228	287	249	211	239	256	274	243
Ultrasounds	23	16	37	35	20	25	25	20	25
Labs-Covid (#encounters)	0	0	0	460	47	43	38	21	76
Labs-RPP (#encounters)	0	0	0	120	77	46	48	68	45
Labs-All Other (# encounters)	0	0	0	331	633	600	756	986	413
Encounters - Adult Clinic	576	479	486	294	230	200	263	222	344
Encounters - Pediatric Clinic	283	209	225	252	208	138	127	106	193
Behavioral Health patients	57	11	13	38	43	44	46	42	37
Physical Therapy	5	0	0	1	3	1	2	0	2

The Hospital also reported that it was actively interviewing physician candidates, including two (2) physicians who had expressed interest in relocating to rural communities. The Hospital further reported that additional grant applications were in progress, that one (1) grant approval had already been received, and that Riceland's crawfish boil community event was upcoming, with Board attendance encouraged.

9. Discuss and take-action, if necessary, on approving 2027 QIPP (Year 10) Suggested IGT and Declaration of Intent.

The Board then considered approval of the 2027 QIPP (Year 10) Suggested IGT and Declaration of Intent. Attorney Oxford advised that the District's IGT for the first half of QIPP Year 10 was coming due in July 2026. Nevertheless, he explained that the District needed to authorize the IGT payment and asked for up to \$32,250,000.00 in funding.

Consequently, a motion was made by Director Stramecki to authorize an IGT in December for up to \$32,250,000.00. This motion was seconded by Director Way and unanimously approved by all the Board Members.

10. Discuss and take-action, if necessary, on approving grant request.

No discussion occurred, and no action was taken on this agenda item.

11. Discuss and take-action, if necessary, on receiving recommendations on contractors to interview for Step 2 of the Request for Qualifications for the Construction Manager at Risk procurement method.

President Murrell then called on the Building Committee and District representatives to discuss the Request for Qualifications ("RFQ") process for the District's new medical clinic building project using the Construction Manager at Risk procurement method. The Board was advised that the District is using the two-step selection process set forth in Texas Government Code Chapter 2269, Subchapter F, and that the purpose of the discussion was to consider the Step 1 qualifications review and determine which firms should be shortlisted to proceed to Step 2.

The Board was advised that thirteen (13) Statements of Qualifications were received in response to the District's RFQ. The Board was further informed that the responses were reviewed and evaluated based on the qualification criteria set forth

in the RFQ, including the firms' experience, proposed CMAR team, financial strength, project approach, relevant experience, preconstruction services, construction approach, and related qualifications. The Board was also advised that no pricing, fees, general conditions costs, or other cost information were requested or considered as part of Step 1.

Following discussion, the Board determined that the following five (5) firms were the most highly qualified respondents and should be invited to proceed to Step 2 of the CMAR procurement process: SpawGlass Construction Corp.; Tellepsen Builders, L.P.; David E. Harvey Builders, Inc. d/b/a Harvey Cleary Builders; Daniels Building & Construction, Inc.; and O'Donnell/Snider Construction, LP. The Board authorized District representatives and the Architect to proceed with Step 2 interviews and proposal requests in accordance with the RFQ and Texas Government Code Chapter 2269. No final selection or contract award was made at this time, but the District is going to schedule interviews with these companies starting on May 26, 2026.

After discussion, Director Stramecki made a motion to accept the recommendation presented to the Board and to approve the following five (5) contractors as the most highly qualified respondents to proceed to Step 2 of the Construction Manager at Risk procurement process for the District's new medical clinic building project: SpawGlass Construction Corp.; Tellepsen Builders, L.P.; David E. Harvey Builders, Inc. d/b/a Harvey Cleary Builders; Daniels Building & Construction, Inc.; and O'Donnell/Snider Construction, LP. The motion further authorized District representatives and the Architect to proceed with Step 2 interviews and proposal requests in accordance with the District's RFQ and the applicable Construction Manager at Risk procurement requirements. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

12. Discuss and take-action, if necessary, on approving nursing home operations loan.

The Board then considered approval of a twelve (12) month short-term commercial revenue note with First Financial Bank in the principal amount of \$31,727,700.00 to fund nursing home operations. Attorney Oxford reported that, through negotiations, First Financial Bank agreed to reduce the origination fee from one percent (1%) to one-quarter of one percent (0.25%), resulting in substantial savings to the District. Attorney Oxford further reported that the interest rate was changed from twenty-five (25) basis points below prime to prime, but that the

reduction in the origination fee still resulted in a significant net savings compared to the prior proposed terms. Attorney Oxford then reviewed the material terms of the note, including the maturity date, payment structure, revenue note limitations, security documents, and related deposit account arrangements, and recommended that the Board approve the loan documents.

After discussion, Director Stramecki made a motion to approve the twelve (12) month short-term commercial revenue note with First Financial Bank in the principal amount of \$31,727,700.00 to fund nursing home operations, together with the related loan documents, security documents, and deposit account documents, and to authorize President Murrell to execute all documents necessary or appropriate to close and carry out the loan transaction on behalf of the District. This motion was seconded by Director Wilcox and unanimously approved by all the Board Members present.

13. Discuss and take-action, if necessary, on financing of the health clinic.

The Board then discussed potential financing options for the new health clinic facility, including the possible use of New Markets Tax Credit financing ("NMTC"). Attorney Oxford generally described the NMTC structure as a potential financing mechanism that could reduce the District's effective project cost by combining senior financing with NMTC-related subordinate financing made available through a Community Development Entity and private tax credit investment. Attorney Oxford explained that the program is more complex than a traditional loan or revenue bond financing, requires confirmation of project eligibility, allocation availability, legal and tax structuring, compliance monitoring, and an eventual unwind of the NMTC structure, but may provide meaningful savings if the transaction can be successfully structured and closed. The Board discussed the potential benefits, timing, transaction costs, and remaining diligence needed before any financing decision could be made. After discussion, Attorney Oxford recommended that this agenda item be tabled until the next meeting so that he could discuss it with potential consultants.

After discussion, Director Stramecki made a motion to table the health clinic financing item pending further review. This motion was seconded by Director Way and unanimously approved by all the Board Members present.

14. Discuss and take-action, if necessary, on engaging Blue & Co., formerly D & Co. to perform the 2025 audit.

The Board then discussed the District's 2025 audit engagement. The Board noted that D & Co. LLP had previously been engaged to perform the District's 2025 audit at the District's October 2, 2025 Special Meeting, and that the purpose of this agenda item was to acknowledge the transition of that existing engagement to Blue & Co., LLC. The Board reviewed the acknowledgment of transition letter, which stated that D & Co. LLP had joined Blue & Co., LLC, that Blue & Co., LLC had assumed responsibility for continuing the existing engagement, and that there would be no change to the engagement team or scope of services. The Board further discussed that future reports, correspondence, and deliverables for the 2025 audit would be issued in the name of Blue & Co., LLC. (*See Exhibit "F"*).

After discussion, Director Stramecki made a motion to approve the acknowledgment of transition and engagement of Blue & Co., formerly D & Co., to perform the 2025 audit. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

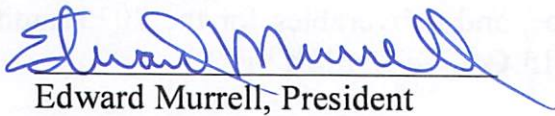
15. Discuss and take-action, if necessary, on the Personnel Committee's recommendation regarding the Administrator's compensation.

Finally, President Murrell called on the Personnel Committee to discuss the recommendation regarding the Administrator's compensation. Directors Rollo and Stramecki reported on the committee's compensation review for Mrs. Carlo. The Committee explained that the review was prompted by a poaching attempt from an outside party and by comparison of the Administrator's salary to the Indigent Care Director's salary. The Committee reported that the salary levels were too close given the significant difference in responsibilities.

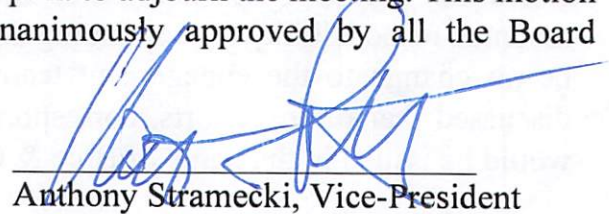
The Personnel Committee recommended increasing Mrs. Carlo's salary from \$83,250.00 to \$96,300.00, representing a fifteen percent (15%) increase. The Committee discussed the substantial increase in the District's nursing home portfolio, the regulatory and geographic factors that make the District a preferred partner, and compensation benchmarking relative to subordinate staff. The Board discussed that a budget amendment would be required and that the increase would be effective June 1, 2026. The Board further noted that, given the Administrator's increases in January and June, the next merit review would likely not occur until 2029.

After discussion, Director Stramecki made a motion to approve increasing the District Administrator's salary from \$83,250.00 to \$96,300.00, effective June 1, 2026, subject to any necessary budget amendment. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.

At the end of the discussion of the agenda items, President Murrell called for any other matters before the Board. There being none, the Board confirmed the date for the next Regular Meeting to be on June 17, 2026. A motion was then made by Director Stramecki at approximately 8:13 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