

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. on June 17, 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 to Order.

At approximately 6:09 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
Mr. Robert “Bobby” Way	Treasurer
Mr. Jeff Rollo	Secretary
Ms. Kay Wilcox	Director

All said Board Members were present, except Director Rollo, 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. Reagan Walters	Office Assistant
Mr. Hubert Oxford, IV	General Counsel for the District
Ms. Makayla Vidal	District CPA
Mr. Chris Rutledge	LTC Group
Mr. Scott Johnson	LTC Group
Ms. Kaley Smith	Chief Executive Officer, Coastal Gateway Health Clinic
Mr. Kaleb Norris	Coastal Gateway Health Clinic
Dr. Michael Lyons	Coastal Gateway Health Clinic
Mr. Saad Javed	CEO, Riceland Hospital
Mr. Mo Danishmund	CFO, Riceland Hospital
Mr. Wade Thibodeaux	Hometown Press

Dr. Ryan McHugh
Dr. Ben Becker

Physician
Physician

2. Introduction of Guests.

Following roll call, the Board introduced the guests and District representatives in attendance.

5. Pledge of Allegiance and Pledge to Texas Flag.

Following the introduction of guests, the Board recited the Pledge of Allegiance to the United States flag and the Pledge to the Texas flag.

6. Public Comment – limited to three minutes.

President Murrell then invited public comment. No public comment was presented.

7. Review and approve minutes of the May 20, 2026 Regular Meeting.

President Murrell then asked the Board to review and approve the minutes from the May 20, 2026 Regular Meeting. A copy of the draft minutes was included in the Board packet. The Board discussed that the Board minutes had been distributed electronically to avoid unnecessary printing expense.

After review, Director Stramecki made a motion to approve the minutes of the May 20, 2026 Regular Meeting as presented. This motion was seconded by Director Way and unanimously approved by all Board Members present.

8. Review and approve financials report; Treasurer's Report; payment of invoices; and amend the budget, if necessary.

President Murrell then called on Ms. Makayla Vidal, the District's CPA, to present the financial report for May 2026. Ms. Vidal reviewed the May 2026 financial statements, including the Balance Sheet and Profit and Loss Budget versus Actual through May 31, 2026. (*See Exhibit "A-1"*).

According to the Balance Sheet, as of May 31, 2026, the District had total checking and savings of \$47,054,598.40, total current assets of \$237,559,209.55, total fixed assets of \$3,887,534.63, total other assets of \$12,806.48, total assets of

\$241,459,550.66, total liabilities of \$182,818,857.69, and total equity of \$58,640,692.97.

Ms. Vidal also reviewed the Profit and Loss Budget versus Actual through May 31, 2026. According to the report, the District had total income of \$52,045,095.83, total expenses of \$50,458,287.48, net ordinary income of \$1,586,808.35, net other income of \$9,626.71, and net income of \$1,596,435.06. Ms. Vidal also noted that the District had received opioid abatement funds and discussed the related budget amendment.

Ms. Vidal next reviewed the Treasurer's Report for June 17, 2026. (*See Exhibit "A-2"*). The Treasurer's Report reflected pending expenses in the total amount of \$439,565.88. The Funds Summary reflected Total District Funds of \$69,490,406.28, less restricted funds, TexStar restricted amounts, and committed funds, resulting in a cash position, less First Financial restricted funds, of \$28,839,258.81. After pending expenses, the ending balance was \$28,399,692.93. The report also reflected Total Funds of \$38,261,857.38 when considering the ending balance, LOC outstanding, QIPP funds outstanding, and outstanding CHOW loans.

Ms. Vidal then reviewed the remaining sections of the Treasurer's Report, including the committed funds schedule, Nursing Home Operations Loan activity, Hospital repayment balance, CHOW interim working capital loan, and other related loan schedules included in the Board packet. Ms. Vidal also reviewed the District's investment interest paid year-to-date, including \$338,698.58 from the First Financial Money Market account and \$109,337.83 from TexSTAR, for total year-to-date interest paid of \$448,036.41.

Following the Treasurer's report, the Board reviewed the check register and supporting invoices included in the Board packet. (*See Exhibit "A-3"*).

Lastly, the Board was told by Mrs. Vidal that they needed to amend the Budget. Per Mrs. Vidal, she prepared a budget amendment for the 2026 Budget Amendment No. 1. (*See Exhibit "A-4"*). The amendment increased total budgeted revenue by \$49,550.00, from \$133,365,612.00 to \$133,415,162.00, primarily to recognize opioid abatement funds. The amendment increased total budgeted expenses by \$4,302,643.00, from \$128,600,237.00 to \$132,902,880.00, which reduced projected ordinary income from \$4,765,375.00 to \$512,282.00. The larger expense changes included adding \$4,000,000.00 for the Clinic new construction project and \$750,000.00 for the Office Building new construction project, while

removing the prior \$500,000.00 property acquisition line item. The Board also reviewed smaller budget adjustments, including increases for Seabreeze property expenses, administrative salary, administrative meals, building maintenance, and continuing education for medical personnel. After discussion, the Board approved the 2026 Budget Amendment No. 1 as presented.

After discussion, Director Stramecki made a motion to approve: (i) the May 2026 financial statements; (ii) the June 17, 2026 Treasurer's Report; (iii) the payment of outstanding invoices in the amount of \$439,565.88; (iv) the Check Register as read; and (v) the 2026 Budget Amendment, as presented. This motion was seconded by Director Way and unanimously approved by all Board Members present.

9. Discuss and take-action on Committee Reports.

President Murrell then asked whether any committees had reports. The Finance Committee, Indigent Healthcare Committee, Personnel Committee, and Building Committee reports were received or reserved for discussion under the applicable agenda items. The Board also discussed the need to coordinate committee matters related to the opioid abatement funds and other pending District projects. No formal action was taken under this agenda item.

Thereafter, President Murrell called on the Finance Committee to discuss the Hospital's request for funding. The Finance Committee circulated a presentation prepared by the Hospital and called upon Mr. Mo Danishmund, Dr. Ryan McHugh, and Dr. Ben Becker to address the Board regarding a proposed ambulatory surgery center or surgical-suite project within the existing Winnie Community Hospital facility. Mr. Danishmund advised that the project had been discussed several years earlier but was not pursued at that time due to construction and staffing concerns. He explained that the project had since been reviewed by an engineering firm, with an estimated total project cost of approximately \$1,760,000.00. Mr. Danishmund further advised that the Hospital had secured HHSC grant funding in the approximate amount of \$423,854.00, that the Hospital anticipated contributing approximately \$460,000.00 toward the project, and that the District was being asked to consider funding a portion of the balance of the remaining project costs (i.e., \$876,146.00).

Dr. McHugh discussed his current use of the Hospital for pain procedures, the need for a more appropriate procedure setting, the number of patients served during procedure days, and the potential for additional pain physicians to use the facility.

Dr. Becker discussed the community benefit of keeping appropriate outpatient surgical procedures local, including procedures such as melanoma removals, cyst excisions, and other procedures that may be performed with local or conscious sedation. The Board discussed the potential benefit of the project, the District's existing commitment to the Administrative Building and Clinic project, the need for full compliance with governmental procurement requirements, the need for architectural and engineering review, and the timing requirements associated with the grant funding. Following discussion, the Board directed that the matter be brought back for further consideration at a special meeting after July 4, 2026, with the Hospital's architect and physician representatives present. No formal action was taken under this agenda item.

10. 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. (*See Exhibit "B"*). Mrs. Carlo reported on the pending Oak Grove sale and CHOW loan repayment status, including that the anticipated closing date had been moved to August 1, 2026, and that Regency was expected to become the new manager. She reported that the buyer's lender required a new Phase I Environmental Study because the prior study no longer met the lender's requirements, extending the due diligence period through June 30, 2026. The Board also discussed the pending Molina payment issue and the District's continued withholding of \$5,000.00 per month pending repayment and resolution.

Mrs. Carlo also updated the Board regarding employee hiring. She reported that Reagan Walters would be returning to the District and that interviews for the Assistant to Administrator position were expected to begin after the Board meeting. Mrs. Carlo also reported that she and Mrs. Davis planned to attend the Texas Indigent Care Health Association Conference in Galveston from October 6 through October 9, 2026. Mrs. Carlo also advised the Board regarding the requested Function4 printer agreement for the Highway Office.

Lastly, Mrs. Carlo also advised the Board regarding the reopening and structure of the District's clearing account at First Financial Bank. She explained that the clearing account had previously been closed by the bank due to inactivity, but that First Financial had agreed to reopen the account and not close it again without the District's consent. The account is intended to serve as a holding account for unidentified checks, misdirected deposits, nursing-home payments, and other

funds that require further review before being posted, returned, or otherwise reconciled. Mrs. Carlo explained that the account was needed to address audit and internal-control concerns because physical checks should not remain unposted and deposits should not remain in nursing-home accounts for extended periods while the proper accounting treatment is being determined. The Board discussed the need for a formal clearing-account policy addressing deposit procedures, reconciliation requirements, accounting treatment, holding periods, return-to-payer procedures, signature cards, possible interest-bearing account options, documentation requirements, and the process for handling funds that remain unidentified. A six (6) month holding period was discussed as a potential threshold for unresolved items. The Board requested that Mrs. Carlo work with Mr. Oxford to prepare a proposed policy and procedure for the clearing account to be presented at a future meeting.

b. **District Indigent Care Director:** Mrs. Davis presented the Indigent Care Director Report. (*See Exhibit "C"*). Mrs. Davis reported that, in May 2026, the Indigent Care Program increased by three (3) clients for a total of eighty-six (86) active clients. She further reported that the program had utilized twenty-nine percent (29%) of its overall budget and that there were no billing issues to report. Mrs. Davis reported a year-to-date monthly average of eighty-eight (88) indigent care clients and five (5) youth counseling clients. Mrs. Davis further reported that May 2026 activity included renewals, late renewals, prior clients, and new applicants, and that clients used youth counseling, dental, and vision benefits during the month.

c. **District General Counsel:** The District's General Counsel reserved his comments for the legal and action items appearing later on the agenda.

d. **Grant Report:** Mrs. Carlo presented the Grant Report and Community Health Worker Report. (*See Exhibit "D"*). The report reflected transportation activity for May 2026, including 16,800 miles driven, 742.96 total hours driven, one hundred forty (140) riders, two hundred twenty-seven (227) trips, seven (7) WSHD riders, and total expenses of \$4,112.15. Mrs. Carlo also reported that the opioid abatement committee had not yet met with the finance committee to discuss allocation of funds, and the Board discussed involving the Sheriff's Department in planning appropriate use of opioid abatement funds. The Board also discussed upcoming community health activities, including a mobile mammography event in Crystal Beach, pending grant matters, and the Fourth Annual Back to School event for Chambers County scheduled for July 18, 2026.

e. **Coastal Gateway Report:** Ms. Smith presented the Coastal Gateway Health Center report. (*See Exhibit "E"*). The report included updates regarding

clinic operations, grant matters, mobile mammography services, incubator funding, participation in the Chambers County Resource Network, implementation of the AZARA platform, upcoming community events, and patient encounters. The report reflected four hundred forty-three (443) patient encounters for the applicable reporting period.

f. **LTC Report:** Mr. Johnson and Mr. Rutledge presented the LTC and nursing home operations report. (See **Exhibit “F”**). First, Mr. Johnson discussed the nursing home operations report and facility site visit updates. He reviewed ongoing site visits during the current season, including visits to three HMG buildings in South Dallas and South Fort Worth, and discussed operational improvements at various facilities. Red Oak was highlighted as a facility that has made significant improvements in building quality and star ratings due to consistent leadership over the past two years. Mr. Johnson also discussed the Averik Garland building, Crowley Nursing and Rehab’s improved CMS star ratings and census growth, and Gracie Woods’ pending second survey to exit its special focus designation. He further advised that quarterly training for Q4 would begin in July and continue through August. Mrs. Carlo requested that Mr. Johnson provide an orientation update to new Board member Kay Wilcox.

Thereafter, Mr. Rutledge discussed the QIPP scorecard report, including QIPP Year 9, Quarter 2 results. He reported that the total payment for the quarter was approximately \$32.8 million, including a \$418,000.00 recoupment for Revere at Garland, which was removed from the program due to not being contiguous following a change of ownership. Excluding that recoupment, the payment was approximately \$33.2 million. Mr. Rutledge reviewed component performance, including Component 1 performance of just under 75%, Component 2 performance of approximately 54.5%, Component 3 performance of just under 90%, and Component 4 performance of just under 86%. The Board discussed facilities requiring continued attention, including Gulf Coast, and also discussed whether the District is being made whole on its IGT recovery when facilities underperform. Mr. Rutledge explained that the IGT is withheld at 50% per quarter, with the net distributed according to the agreed split, and that any shortfall would be trued up in the following quarter.

g. **Hospital Report:** Mr. Javed was then called on to give the Hospital Report. The Board reviewed the RMC Hospital Census through May 2026. The report is set forth below:

2026							
Census	2025 YTD	Jan	Feb	Mar	Apr	May	YTD Monthly Average
ER Visits	295	285	245	300	331	323	297
Conversion to Inpatient/observation	28	30	27	31	37	26	30
Percentage	9%	11%	11%	10%	11%	8%	10%
Transferred out of ER	11	7	7	15	9	17	11
Percentage Transferred out to ER	4%	2%	3%	5%	3%	5%	4%
ER shifts covered by doctors	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	52	50	48	65	76	35	55
Number Hospice days	0	0	0	0	0	0	0
Number Swingbed days	10	0	0	10	18	11	8
Number Observation days	30	38	20	31	27	23	28
Total All Inpt. Days	93	88	68	106	121	69	90
Average Inpatient days per day	3	2.84	2.43	3.42	4.03	2.23	2.99
CTs (# tests)	107	98	114	114	125	149	120
Xrays (# tests)	256	264	239	286	308	214	262
Ultrasounds (# tests)	25	16	23	23	18	28	22
Labs-Covid (#encounters)	38	38	22	8	17	5	18
Labs-RPP (#encounters)	48	57	60	69	86	45	63
Labs-All Other (# encounters)	756	834	936	1028	1,146	843	957
Encounters - Adult Clinic	263	240	237	221	190	201	218
Encounters - Pediatric Clinic	127	89	112	116	107	87	102
Behavioral Health patients	46	37	39	45	47	41	42
Physical Therapy	2	0	0	0	0	1	0
Labs from FQHQ (# tests)	2	6	7	15	0	7	7
Radiology from FQHQ (# tests)	26	23	22	27	47	18	27
Labs from Physician 1 (# tests)	2381	1658	1517	896	3,094	2276	1,888
Radiology from Physician 1 (# tests)	0	0	0	0	0	0	0
Labs from Physician 2 (# tests)	1192	1282	1432	862	1,064	828	1,094
Radiology from Physician 2 (# tests)	0	0	0	0	0	0	0
Labs from Physician 3 (# tests)	810	945	856	691	920	630	808
Radiology from Physician 3 (# tests)	4	0	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	297	240
Conversion to Inpatient/observation	10	13	21	20	26	26	28	30	22
Percentage of Converted Patients	5%	7%	9%	9%	10%	10%	9%	10%	9%
Transferred out of ER	10	12	11	11	10	11	11	11	11
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	4%	4%	5%
ER shifts covered by doctors	79%	65%	56%	4%	2%	1%	0%	0	26%
Number Inpatient days	58	115	191	154	81	73	52	55	97
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.35	4.57	8.11
Number Hospice days	12	5	9	4	2	0	0	8	5
Number Swingbed days	16	47	48	65	22	17	10	28	32
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.85	2.32	2.63
Number Observation days	18	23	25	33	39	34	30	28	29
Total All Inpt. Days	104	190	273	255	144	123	93	90	159
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.05	2.99	5.23
CTs	42	57	64	67	80	95	107	120	79
Xrays	204	228	287	249	211	239	256	262	242
Ultrasounds	23	16	37	35	20	25	25	22	25
Labs-Covid (#encounters)	0	0	0	460	47	43	38	18	76
Labs-RPP (#encounters)	0	0	0	120	77	46	48	63	44
Labs-All Other (# encounters)	0	0	0	331	633	600	756	957	410
Encounters - Adult Clinic	576	479	486	294	230	200	263	218	343
Encounters - Pediatric Clinic	283	209	225	252	208	138	127	102	193
Behavioral Health patients	57	11	13	38	43	44	46	42	37
Physical Therapy	5	0	0	1	3	1	2	0	2

Because the proposed ambulatory surgery center/surgical-suite project was discussed earlier during the Committee Reports, including the presentation by Mr. Danishmund and the physicians, Mr. Danishmund advised that he had nothing further to report under the Hospital Report. No formal action was taken under this agenda item.

- 11. Discuss and take action, if necessary, to approve and authorize all matters related to the Winnie-Stowell Hospital District's November 3, 2026 general election, including: (a) designation of the District's election officer or agent; (b) approval of the Notice of Candidate Filing Deadline; (c) approval of the Order of Election; (d) authorization to post and publish all required notices; (e) authorization to accept candidate applications and write-in declarations; (f) approval of an agreement with the Chambers County Clerk's Office to conduct the election and authorization to coordinate with the County Clerk, Elections Administrator, and any other necessary election officials; and (g) authorization for the District's officers, Administrator, and legal counsel to prepare and execute all documents necessary to conduct the election.**

President Murrell then called on Attorney Oxford to discuss the District's November 3, 2026 general election. Attorney Oxford advised the Board that the District needed to approve and authorize the election documents and related election matters for the election of two (2) at-large Board positions for four (4) year terms. Attorney Oxford reviewed the Notice of Appointment of Agent, which appoints Victoria Carlo as the District's election agent for purposes of receiving election documents, maintaining election records, and performing ministerial election duties on behalf of the District. Attorney Oxford also reviewed the Notice of Deadline to File an Application for Place on the Ballot, which provides that the candidate filing period begins July 18, 2026 and ends August 17, 2026 at 5:00 p.m. Attorney Oxford then reviewed the Order of Election, which orders the November 3, 2026 election, identifies the offices to be filled, states the deadline for applications for a place on the ballot, states the deadline for write-in declarations, identifies the early voting period and voting locations, provides that Election Day voting will be conducted from 7:00 a.m. to 7:00 p.m., and identifies the early voting clerk and related ballot-by-mail information. Attorney Oxford further advised the Board that the District would need to approve an election services agreement with the Chambers County Clerk for the County Clerk to conduct the District's election, with the District's election costs to be allocated among other political subdivisions in Chambers County that are also conducting elections. (*See Exhibits "G-1" through "G-4"*).

After discussion, Director Stramecki made a motion to approve and authorize all matters related to the District's November 3, 2026 general election, including: (1) the Notice of Appointment of Agent Regarding November 3, 2026 Election, appointing Victoria Carlo as the District's election agent; (2) the Notice of Deadline to File an Application for Place on the Ballot, reflecting a filing period beginning July 18, 2026 and ending August 17, 2026 at 5:00 p.m.; (3) the Order of Election for Winnie-Stowell Hospital District, ordering an election for November 3, 2026 for the purpose of electing two (2) at-large Board members for four (4) year terms; and (4) an election services agreement with the Chambers County Clerk for the County Clerk to conduct the election, with costs to be allocated among the District and other participating Chambers County entities conducting elections. This motion was seconded by Director Way and unanimously approved by all Board Members present.

12. Discuss and take action, if necessary, on approving outstanding request for Housing and Urban Development Loans and accounts receivable loans by multiple nursing facilities.

The Board then discussed outstanding requests related to Housing and Urban Development loans and accounts receivable loans for multiple nursing facilities. Attorney Oxford advised the Board that the support materials included a request related to 825 W. Fairwinds Street, LLC obtaining a mortgage loan from KeyBank National Association in the amount of \$12,750,000.00, insured by the U.S. Department of Housing and Urban Development, to refinance existing mortgage indebtedness, and a related request for Regency IHS of Fairwinds Hallettsville, LLC to join as borrower parties under accounts receivable financing documents. The Board discussed the requested approvals and any related documents requiring District consent, approval, or acknowledgment.

After discussion, Director Stramecki made a motion to approve the outstanding requests for Housing and Urban Development loans and accounts receivable loans by the applicable nursing facilities, including the related approvals, consents, joinders, acknowledgments, and any other documents necessary or appropriate to carry out the transactions, subject to final legal review. This motion was seconded by Director Way and unanimously approved by all Board Members present.

13. Discuss and take action, if necessary, to adopt bank resolution for Prosperity Bank to remove former Board members and to add current Board members.

The Board then discussed the proposed Prosperity Bank resolution. Attorney Oxford advised that the purpose of the resolution was to update the District's authorized signers and banking authority with Prosperity Bank, N.A., including removing former Board member Kacey Vratiss as an authorized signer, adding Director Kay Wilcox as an authorized signer, confirming each current Board member as an authorized signer, and confirming the limited administrative authority of Victoria Marie Carlo, as Administrator, and Makayla Vidal, as CPA, consistent with the restrictions set forth in the resolution and any applicable DACA, DAISA, or similar agreement with the Bank. The Board also discussed confirming the Administrator's authority to set up bill pay and to transfer funds between accounts consistent with prior Board authorization and the terms of the resolution. (See Exhibit "H")

After discussion, Director Stramecki made a motion to adopt the Prosperity Bank resolution as presented, to remove former Board members and add current Board members, to confirm the banking authority stated in the resolution, and to authorize the District's officers, Administrator, CPA, and legal counsel to prepare, execute, and deliver all documents necessary to implement the resolution. This motion was seconded by Director Way and unanimously approved by all Board Members present.

14. Discuss and take action, if necessary, on approving architectural agreement with THR3E Designs for an administrative building.

The Board then discussed the proposed architectural agreement with THR3E Designs for the District's administrative building. The Board reviewed the proposed agreement, discussed the scope of architectural services, and discussed the relationship of the administrative building work to the District's broader building and clinic project planning. (See Exhibit "I")

After discussion, Director Stramecki made a motion to approve the architectural agreement with THR3E Designs for the administrative building, subject to final legal review, and to authorize President Murrell or another authorized District representative to execute the agreement and any related documents necessary to carry out the engagement. This motion was seconded by Director Wilcox and unanimously approved by all Board Members present.

15. Discuss and take action, if necessary, on approving method of financing, if any, for Administrative Building and Clinic.

The Board then discussed potential methods of financing for the Administrative Building and Clinic. Attorney Oxford and District representatives discussed potential financing alternatives, including traditional financing and possible New Markets Tax Credit financing. The Board reviewed preliminary NMTC financial modeling for discussion purposes only, including potential allocation scenarios of \$8,000,000.00, \$10,000,000.00, and \$12,000,000.00, and discussed the potential benefits, transaction costs, timing, and remaining diligence required before any final financing decision could be made. The Board also discussed potential engagement of Forvis Mazars, LLP to assist with the NMTC process. (See Exhibit "J")

After discussion, Director Stramecki made a motion to authorize the District to proceed with further diligence and negotiations regarding potential New Markets Tax Credit financing for the Administrative Building and Clinic and to authorize engagement of Forvis Mazars, LLP to assist with the NMTC process, subject to final legal review of the engagement agreement and any definitive financing documents. This motion was seconded by Director Wilcox and unanimously approved by all Board Members present.

- 16. Discuss and take action, if necessary, regarding proposals received in Step No. 2 of the Construction Manager-at-Risk procurement for the Winnie Medical Clinic Building project, RFQ 2026-001, including selection of the Construction Manager-at-Risk offering the best value to the District; authorization to negotiate a contract with the highest-ranked proposer in accordance with Texas Government Code Section 2269.254; and authorization for the Board President or other authorized District representative to execute a preconstruction services agreement and related documents after final legal review.**

President Murrell, speaking on behalf of the Building Committee, then called on the District's representatives to discuss the proposals received in Step No. 2 of the Construction Manager-at-Risk procurement for the Winnie Medical Clinic Building project, RFQ 2026-001. The Board was reminded that the District is proceeding under the Construction Manager-at-Risk delivery method authorized by Texas Government Code Chapter 2269, Subchapter F, including Sections 2269.251, 2269.253, and 2269.254. The Board discussed that Step No. 1 involved the qualification-based shortlisting of firms, and Step No. 2 included additional information from the shortlisted firms, including proposed fees, general conditions pricing, interviews, and evaluation of the proposers under the published selection

criteria. The Board further discussed that, under Texas Government Code Section 2269.254, the District is required to select the offeror that submits the proposal offering the best value to the District based on the published selection criteria and ranking evaluation, and to first attempt to negotiate a contract with the selected offeror. Based upon the Building Committee's review, interviews, scoring, and recommendation, President Murrell advised that the Building Committee recommended Harvey-Cleary as the highest-ranked proposer and the Construction Manager-at-Risk offering the best value to the District.

After discussion, Director Way made a motion to: (1) determine that the District has proceeded with the Construction Manager-at-Risk procurement method for the Winnie Medical Clinic Building project, RFQ 2026-001, in accordance with Texas Government Code Chapter 2269, Subchapter F, including Sections 2269.251, 2269.253, and 2269.254; (2) accept the Building Committee's recommendation and ranking evaluation; (3) rank Harvey-Cleary as the highest-ranked proposer and as the Construction Manager-at-Risk offering the best value to the District based on the published selection criteria and ranking evaluation; (4) authorize the District to negotiate a contract with Harvey-Cleary as the selected offeror in accordance with Texas Government Code Section 2269.254; and (5) authorize the Board President or other authorized District representative to execute a preconstruction services agreement and related documents after final legal review. This motion was seconded by Director Stramecki and unanimously approved by all Board Members present.

17. Discuss and take action, if necessary, to accept bid for the purchase and removal of the building located at 1188 2nd Street, Winnie, Chambers County, Texas 77665 pursuant to Texas Health and Safety Code Section 285.901 and Sections 263.152 and 263.153 of the Texas Local Government Code.

The Board then discussed the bid process for the sale, dismantling, and removal of the metal building located at 1188 2nd Street, Winnie, Chambers County, Texas 77665. The Board noted that the metal building had been declared surplus or salvage property and was no longer needed for District purposes. The Board further noted that notice of the sale was published pursuant to Texas Health and Safety Code Section 285.901 and Sections 263.152 and 263.153 of the Texas Local Government Code, with sealed bids due by 2:00 p.m. on Monday, June 1, 2026. The notice required the successful bidder to purchase, dismantle, and completely remove the building; remove all debris; restore the site to a clean and safe condition; obtain required permits; comply with applicable laws; maintain appropriate insurance; and indemnify the District. (*See Exhibits "K-1 and "K-2"*). The Board reviewed the

only bid received, submitted by Culley Devillier in the amount of \$10,000.00. The Board also reviewed the proposed Bill of Sale, which provides that the building is sold "AS IS, WHERE IS, WITH ALL FAULTS," conveys no real property interest, and requires removal of the building within thirty (30) days after award unless extended in writing by the District.

After discussion, Director Stramecki made a motion to accept the bid submitted by Culley Devillier in the amount of \$10,000.00 for the purchase and removal of the building located at 1188 2nd Street, Winnie, Chambers County, Texas 77665, and to authorize the District's officers, Administrator, and legal counsel to prepare and execute all documents necessary or appropriate to complete the transaction and require removal of the building. This motion was seconded by Director Way and unanimously approved by all Board Members present.

18. Discuss, consider, and possible action regarding participation in a Common Interest, Joint Defense, Confidentiality, and Fee Sharing Agreement with Winnie-Stowell Hospital District, Stratford Hospital District, Liberty County Hospital District No. 1, and any other participating entities concerning Medicare, Medicaid Quality Incentive Payment Program, regulatory, legislative, administrative, and/or litigation matters, including consultation with legal counsel in executive session pursuant to Texas Government Code § 551.071.

The Board then discussed the proposed Common Interest, Joint Defense, Confidentiality, and Fee Sharing Agreement among Winnie-Stowell Hospital District, Stratford Hospital District, Liberty County Hospital District No. 1, and any other participating entities. Attorney Oxford advised the Board that the agreement is intended to protect common interest and joint defense communications and to address confidentiality and fee-sharing issues related to Medicare, Medicaid, Quality Incentive Payment Program, regulatory, legislative, administrative, and/or litigation matters. Mr. Rutledge clarified the anticipated financial allocation and noted that the District had previously paid \$50,000.00, that the amount allocated to the District to date was approximately \$48,800.00, and that any future invoices would result in a small true-up.

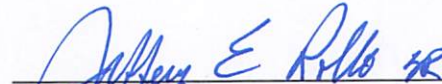
After discussion, Director Stramecki made a motion to approve participation in the Common Interest, Joint Defense, Confidentiality, and Fee Sharing Agreement, subject to final legal review, and to authorize President Murrell or another authorized District representative to execute the agreement and any related joinders or documents necessary to carry out the District's participation. This motion was

seconded by Director Wilcox and approved by all Board Members voting, with Director Way abstaining due to a potential conflict of interest.

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 July 22, 2026. A motion was then made by Director Stramecki at approximately 8:19 p.m. to adjourn the meeting. This motion was seconded by Director Way and unanimously approved by all Board Members present.



Edward Murrell, President



~~Anthony Stramecki, Vice-President~~