

**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 July 22, 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.

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 Stramecki, 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
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. Scott Johnson	LTC Group

At approximately 6:25 p.m., the meeting was convened by President Murrell,

and roll was called of the members of the Board, to wit:

2. Introduction of Guests.

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

3. 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.

4. Public Comment – limited to three minutes.

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

5. Review and Approve Minutes of the June 17, 2026 Regular Meeting and the July 8, 2026 Special Meeting.

President Murrell then asked the Board to review and approve the minutes from the June 17, 2026 Regular Meeting and the July 8, 2026 Special Meeting. Copies of the draft minutes were included in the Board packet.

After review, Director Wilcox made a motion to approve the minutes of the June 17, 2026 Regular Meeting and the July 8, 2026 Special Meeting as presented. This motion was seconded by Director Rollo and unanimously approved by all Board Members present.

6. 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 June 2026. Ms. Vidal reviewed the June 2026 financial statements, including the Balance Sheet and Profit and Loss Budget versus Actual through June 30, 2026. (See Exhibit "A-1"). According to the Balance Sheet, as of June 30, 2026, the District had total checking and savings of \$61,763,198.19, total current assets of \$242,671,466.84, total fixed assets of \$3,888,705.98, total other assets of \$12,806.48, total assets of \$246,572,979.30, total liabilities of \$184,092,865.09, and total equity of \$62,480,114.21. Ms. Vidal also

reviewed the Profit and Loss Budget versus Actual for January through June 2026. The report reflected total income of \$67,417,992.71, total expenses of \$63,327,203.44, net ordinary income of \$4,090,789.27, net other income of \$19,726.71, and net income of \$4,110,515.98.

Ms. Vidal next discussed the Treasurer's Report for July 22, 2026. (*See Exhibit "A-2"*). The Treasurer's Report reflected Total District Funds of \$41,463,409.57 and a cash position, after restricted and committed amounts, of \$39,980,136.10. Pending expenses totaled \$139,262.66, resulting in an ending balance of \$39,840,873.44. The report reflected Total Funds of \$40,443,966.83 when considering the ending balance together with outstanding loan, QIPP, and other amounts reflected in the report.

The Treasurer's Report further reflected total committed funds of \$1,980,124.44, with \$1,274,654.09 paid year-to-date and a remaining committed balance of \$705,470.35. The remaining commitments included \$551,374.09 for the 2026 FQHC/Coastal Gateway grant, \$115,902.66 for East Chambers Independent School District, and \$38,193.60 for the Winnie-Stowell Volunteer EMS grant. The First Financial reconciliation reflected total funds of \$2,681,819.31, consisting of \$70,523.48 in restricted funds, \$207,279.64 in non-QIPP funds, and \$2,404,016.19 in unrestricted funds.

Ms. Vidal also reviewed the District's loan and repayment schedules. The Hospital repayment schedule reflected a balance of \$275,805.29 due to the District as of June 30, 2026. The Oak Grove CHOW loan schedule reflected that the amounts advanced had been repaid and that no balance remained due. The investment schedule reflected June 2026 interest of \$72,304.95 from the First Financial Money Market account and \$22,233.80 from TexSTAR, with year-to-date interest of \$338,698.58 and \$109,337.83, respectively.

Following the financial and Treasurer's reports, the Board reviewed the check register and supporting invoices included in the Board packet. (*See Exhibit "A-3"*). The outstanding invoices and pending expenses presented for approval totaled \$139,262.66.

After discussion, Director Way made a motion to approve: (i) the June 2026 financial statements; (ii) the July 22, 2026 Treasurer's Report; (iii) the payment of outstanding invoices and pending expenses in the amount of \$139,262.66; and (iv) the Check Register as presented. This motion was seconded by Director Rollo and approved by all Board Members voting, with Director Wilcox abstaining.

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

President Murrell then asked whether any committees had reports or matters for discussion. The Board received or reserved the committee matters for discussion under the applicable agenda items. No formal motion or action was taken under this agenda item.

8. Receive District reports.

a. **District Administrator:** Mrs. Carlo presented the Administrator's Report, beginning with an update on the Assistant Administrator position, which had been reposted with revised qualifications and remained under review as applications continued to be received. She also advised that she intended to prepare procedures relating to the First Financial clearing account in coordination with District representatives. Regarding the November election, the filing period opened July 18, 2026, and would continue through August 17, 2026, with Mrs. Carlo coordinating related matters with the Chambers County Clerk's Office. The Board was also informed that Prosperity Bank required updated signature cards to reflect recent Board changes. In connection with upcoming travel, Mrs. Carlo discussed the District's plan to use shared lodging for the TICHIA conference to help control costs. She concluded by reporting that the District had been confirmed as a Group 2 entity under the opioid abatement rules and remained eligible for annual Opioid Abatement Fund Council distributions.

b. **District Indigent Care Director:** Mrs. Davis presented the Indigent Care Director Report. (*See Exhibit "C"*). She reported that the Indigent Care Program increased by one (1) client during June for a total of eighty-seven (87) active clients and that the program had utilized thirty-one percent (31%) of its overall budget. She advised that UTMB billing for June had not been received because of a postal issue and that the June and July billing would be submitted the following month. Mrs. Davis also reported that two (2) clients had exhausted their benefits.

Mrs. Davis reported a year-to-date monthly average of eighty-eight (88) indigent care clients and five (5) youth counseling clients. During June, three (3) clients used youth counseling benefits, seven (7) clients used dental benefits, and one (1) client used vision benefits. The report reflected total 2026 indigent-care budgeted expenditures of \$1,267,350.00 and year-to-date expenditures of

\$397,432.49, or thirty-one percent (31%) of budget.

c. **District General Counsel:** Attorney Oxford advised the Board that he had no report under this agenda item.

d. **Grant Report:** Mrs. Carlo presented the Grant Report and the transportation/ambulance grant materials. (*See Exhibit "D"*). She reported that nine (9) transfer calls were requested during June, eight (8) transfers were completed, and one (1) call was reassigned when the requested destination required paramedic-level transport. The completed transports included transfers from Riceland to Baptist Beaumont, UTMB Galveston, Baytown Methodist, Baytown Medical Center, and Texas Children's Hospital. Mrs. Carlo also reviewed the related grant-funded staffing and payroll information included in the Board packet.

e. **Coastal Gateway Report:** Ms. Smith presented the Coastal Gateway Health Center report. (*See Exhibit "E"*). Ms. Smith reported that a mobile mammography bus was scheduled for Crystal Beach on July 29, 2026; that Coastal Gateway had submitted its second incubator-funding drawdown of \$225,000.00 and remained on schedule; and that the Center had passed a surprise DSHS Texas Vaccines for Children site visit with no findings. She also reported that the 340B program went live with Brookshire Brothers on July 1, 2026 and that Wilcox Pharmacy was expected to go live in August.

Ms. Smith further reported that Coastal Gateway had been awarded \$245,000.00 over three (3) years through the MD Anderson SAVE TX program; that a \$300,000.00 Letter of Inquiry had been resubmitted to the Episcopal Health Foundation; and that Rural Health Transformation funding remained pending. She discussed upcoming community events and outreach activities, including the Chambers County and Winnie-area back-to-school events, Health Center Week, Winnie Square programming, Meals on Wheels delivery, and participation in the Hardin-Jefferson Hunger Initiative. The June statistical report reflected six hundred three (603) patient encounters.

f. **LTC Report:** Mr. Johnson presented the LTC and nursing-facility operations report. (*See Exhibit "F"*). Mr. Johnson reviewed the QIPP scorecard and the nursing-facility site-visit materials included in the Board packet. The QIPP scorecard reflected Quarter 2 performance of approximately 74.9% for Component 1, 54.5% for Component 2, 89.6% for Component 3, and 85.7% for Component 4,

with an overall Quarter 2 metric attainment of approximately 75.4% and year-to-date attainment of approximately 76.0%.

Mr. Johnson also discussed facility-specific operational and quality matters identified during site visits and QAPI reviews, including staffing, falls, pressure-ulcer prevention, infection control, census, survey activity, and facility improvement efforts. The Board reviewed the written facility reports and scorecards contained in the Board packet.

g. **Hospital Report:** Mr. Javed was then called on to present the Hospital's monthly report for June 2026 census and operating statistics. The Hospital's report is as follows:

2026								
Census	2025 YTD	Jan	Feb	Mar	Apr	May	June	YTD Monthly Average
ER Visits	295	285	245	300	331	323	310	299
Conversion to Inpatient/observation	28	30	27	31	37	26	25	29
Percentage	9%	11%	11%	10%	11%	8%	8%	10%
Transferred out of ER	11	7	7	15	9	17	13	11
Percentage Transferred out to ER	4%	2%	3%	5%	3%	5%	4%	4%
ER shifts covered by doctors	0%	0%	0%	0%	0%	0%	0%	0%
Number Inpatient days	52	50	48	65	76	35	43	53
Number Hospice days	0	0	0	0	0	0	0	0
Number Swingbed days	10	0	0	10	18	11	5	7
Number Observation days	30	38	20	31	27	23	34	29
Total All Inpt. Days	93	88	68	106	121	69	82	89
Average Inpatient days per day	3	2.84	2.43	3.42	4.03	2.23	2.73	2.95
CTs (# tests)	107	98	114	114	125	149	117	120
Xrays (# tests)	256	264	239	286	308	214	197	251
Ultrasounds (# tests)	25	16	23	23	18	28	10	20
Labs-Covid (#encounters)	38	38	22	8	17	5	5	16
Labs-RPP (#encounters)	48	57	60	69	86	45	65	64
Labs-All Other (# encounters)	756	834	936	1028	1,146	843	924	952
Encounters - Adult Clinic	263	240	237	221	190	201	208	216
Encounters - Pediatric Clinic	127	89	112	116	107	87	69	97
Behavioral Health patients	46	37	39	45	47	41	44	42
Physical Therapy	2	0	0	0	0	1	1	0
Labs from FQHQ (# tests)	2	6	7	15	0	7	0	6
Radiology from FQHQ (# tests)	26	23	22	27	47	18	17	26
Labs from Physician 1 (# tests)	2381	1658	1517	896	3,094	2276	1984	1,904
Radiology from Physician 1 (# tests)	0	0	0	0	0	0	0	0
Labs from Physician 2 (# tests)	1192	1282	1432	862	1,064	828	954	1,070
Radiology from Physician 2 (# tests)	0	0	0	0	0	0	0	0
Labs from Physician 3 (# tests)	810	945	856	691	920	630	850	815
Radiology from Physician 3 (# tests)	4	0	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	299	240
Conversion to Inpatient/observation	10	13	21	20	26	26	28	29	21
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	53	97
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.35	4.40	8.09
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	2.40	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	89	159
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.05	2.95	5.23
CTs	42	57	64	67	80	95	107	120	79
Xrays	204	228	287	249	211	239	256	251	241
Ultrasounds	23	16	37	35	20	25	25	20	25
Labs-Covid (#encounters)	0	0	0	460	47	43	38	16	76
Labs-RPP (#encounters)	0	0	0	120	77	46	48	64	44
Labs-All Other (# encounters)	0	0	0	331	633	600	756	952	409
Encounters - Adult Clinic	576	479	486	294	230	200	263	216	343
Encounters - Pediatric Clinic	283	209	225	252	208	138	127	97	192
Behavioral Health patients	57	11	13	38	43	44	46	42	37
Physical Therapy	5	0	0	1	3	1	2	0	2

9. Appoint Opioid Committee.

President Murrell then addressed appointment of the District's Opioid Committee. President Murrell appointed Director Jeff Rollo and Director Kay Wilcox to serve on the Opioid Committee. No formal motion was taken under this agenda item.

10. Discuss and take action if necessary on considering grant request.

President Murrell then called on Mr. Mo Danishmund to update the Board regarding the Hospital's request related to the proposed operating room/surgical suite project. Mr. Danishmund reported that the Hospital's architect was not experienced with the governmental procurement requirements that had been discussed as a condition to District participation in the project and was uncertain how to structure the project to comply with those requirements. Mr. Danishmund advised that the Hospital intended to consult with its legal counsel regarding procurement or project delivery methods that could satisfy the State's requirements if the District were to participate in funding the operating room project.

The Board discussed the need to ensure that any District-funded construction work complies with applicable Texas governmental procurement requirements before District funds are committed or expended. No formal action was taken under this agenda item pending further review of a compliant procurement method.

11. **Discuss and take-action, if necessary, on following nursing facility matters: (a) approve a Change of Control or Change of Manager for the HMG facilities; (b) approve sale of Oak Grove facility as well as corresponding Accounts Receivable loans and HUD loan, if any; (c) approve accounts receivable loan for Bayou Pines owner TDT LAMARQUE OPCO LLC with Merchants Bank of Indiana; and (d) approve HUD Loan and corresponding AR loan for the Hallettsville facility.**

President Murrell then called on the District representatives to review the nursing-facility matters presented in the Board packet. The matters discussed were as follows:

HMG Healthcare Change of Control. First, the Board considered the proposed change of control involving the HMG Healthcare, LLC affiliates. The materials reflected that the applicable ownership interests would be acquired by CCG TX Holdings, LLC/Cascade Capital Group, LLC and that the transaction would result in a change of control of the manager entities and, for certain facilities, a transition of the existing sub-subleases. The proposed resolution authorized the District to consent to the change of control and lease transition and authorized the appropriate District officer to execute the related documents, subject to final review. (*See Exhibit "G-1"*).

Oak Grove Ownership Transition and Related Financing. The Board next considered the Oak Grove transaction, including the anticipated sale/ownership transition and related financing and consent documents. The materials included a proposed resolution concerning loan and related transactions involving 6230 Warren Street, LLC, Wellsential of Oak Grove, LLC, Regency Integrated Health Services, LLC, and Truist Bank, together with any related District consents, subordination documents, sublease documents, management-related documents, and other closing documents. (*See Exhibit "G-2"*).

Bayou Pines Bridge Loan Financing. The Board then considered the Bayou Pines financing request involving TDT Lamarque OpCo LLC and Merchants Bank of Indiana. The proposed resolution authorized and approved the documents and transactions related to a bridge loan with Merchants Bank of Indiana and any subsequent HUD loan related thereto, including related

operator, security, consent, certification, assignment, and acknowledgment documents. (See **Exhibit “G-3”**).

Hallettsville HUD-Insured Refinancing. Lastly, the Board considered the Hallettsville financing request. The materials reflected a proposed \$12,750,000.00 HUD-insured mortgage loan from KeyBank National Association to refinance the facility owner’s existing mortgage indebtedness, together with related accounts-receivable financing involving Capital Finance, LLC and the joinder of Regency IHS of Fairwinds Hallettsville, LLC under the applicable accounts-receivable loan documents. (See **Exhibit “G-4”**).

After discussion, Director Wilcox made a motion to approve: (a) the HMG change of control and related lease-transition documents; (b) the Oak Grove sale/transition and related financing documents; (c) the Bayou Pines/Merchants Bank financing documents; and (d) the Hallettsville HUD and accounts-receivable financing documents, in each case subject to final legal review, and to authorize the appropriate District officers and representatives to execute and deliver the documents necessary or appropriate to complete the approved transactions. This motion was seconded by Director Rollo and unanimously approved by all Board Members present.

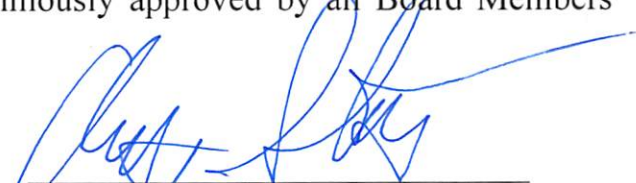
12. Discuss and take-action, if necessary, to approve UC DY 15 2026 IGT on behalf of Winnie Community Hospital.

The Board then considered the Demonstration Year 15 Uncompensated Care intergovernmental transfer commitment for Winnie Community Hospital/Riceland Medical Center. The updated materials received from HHSC reflected a maximum IGT commitment of \$328,279.68. The Board was advised that the Declaration of Intent and IGT commitment were due to HHSC by July 29, 2026, with the IGT notification expected August 12, 2026 and the settlement date scheduled for September 1, 2026.

After discussion, Director Wilcox made a motion to approve the UC DY 15 2026 IGT on behalf of Winnie Community Hospital in an amount not to exceed \$328,279.68 and to authorize the District’s officers and Administrator to execute and submit the required Declaration of Intent, commitment forms, and related documents and to take the actions necessary to complete the approved IGT. This motion was seconded by Director Rollo and unanimously approved by all 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 August 24, 2026. A motion was then made by Director Rollo at approximately 7:47 p.m. to adjourn the meeting. This motion was seconded by Director Wilcox and unanimously approved by all Board Members present.


Edward Murrell, President


Anthony Stramecki, Vice-President