

MINUTES FOR THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE WINNIE-STOWELL HOSPITAL DISTRICT

The meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was posted pursuant to the Texas Open Meetings Act three (3) business days prior to the opening of said meeting for 6:00 p.m., February 18, 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 6:10 p.m., the meeting was convened, and roll was called of the members of the Board, to wit:

Mr. Ed Murrell	President
Mr. Anthony Stramecki	Vice-President
Robert “Bobby” Way	Treasurer
Jeff Rollo	Secretary

All said Board Members were present, thus constituting a quorum. In addition, to the above-named Board Members, also present at the meeting were:

Mrs. Victoria Carlo	District Administrator
Mrs. Tina Davis	Indigent Care Director
Ms. Kiela Barron	Office Assistant
Mr. Scott Johnson	Nursing Home Coordinator
Mr. Hubert Oxford, IV	General Counsel for the District
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, Riceland Hospital
Mr. Mo Danishmund	CFO, Riceland Hospital
Mrs. Patricia Ojeda	Community Health Director
Mr. Justin Doss	Chief Executive Officer, BaptistHospital
Mr. Garrett Syrett	BaptistHospital

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

5. Review and approve Minutes of the January 21, 2026 Regular Meeting.

President Murrell then asked the Board to review and approve the minutes from the January 21, 2026 Regular Meeting. Staff advised that the minutes were in order.

Director Stramecki made a motion to approve the minutes of the January 21, 2026 Regular Meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

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

Following the review and approval of the minutes, President Murrell advised the Board that Mrs. MaKayla Vidal, the District's CPA, was on maternity leave, and was not able to attend the meeting. However, Mrs. Vidal did prepare the financials for December 2025 and January 2026. (*See Exhibit "A-1" and "A-2"*). He then asked the Board to review the materials and stated that, if there were any issues, the Board could discuss them with Mrs. Vidal during the March 21, 2026 Regular Meeting, or any Board member could contact Mrs. Vidal directly.

Mrs. Carlo was then asked to review the Treasurer's Report for February 18, 2026. (*See Exhibit "A-3"*). Mrs. Carlo opened the report with a review of the invoices proposed for payment during the reporting period, as outlined below.

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Pending Expenses	For	Amount
Bayside Dental	SP Program	\$5,170.00
Brookshire Brothers	Indigent Care	\$2,070.84
CABA Therapy Services dba Physio	SP Program	\$135.00
Coastal Gateway Health Center	Indigent Care	\$539.11
Dr. June Stansky	SP Program	\$240.00
Kalos Counseling	Youth Counseling	\$340.00
Thompson Outpatient Clinic, LLC	Indigent Care	\$1,144.43
UTMB at Galveston	Indigent Care	\$35,128.67
UTMB Faculty Group Practice	Indigent Care	\$5,148.84
Wilcox Pharmacy	Indigent Care /Charity Care	\$1,454.85
\$25 Optical	SP Program	\$150.00
Benckenstein & Oxford	Invoice No 51661	\$6,950.00
Graciela Chavez	Inv 965994	\$160.00
US Department of Education	Acct# 1778777782 - Benjamin Odom	\$1,801.60
3Branch & More	Inv # 46062	\$8,831.67
Function4	INV1268780	\$135.00
Technology Solutions	Inv # 2016	\$158.15
Indigent Healthcare Solutions	Indigent Care Inv # 81392	\$2,023.00
Vidal Accounting Services	Invoice 00128	\$3,430.00
Hubert Oxford	Retainer	\$1,000.00
Cascades Healthcare	Inv 2337 - Split CHOW Fees - Port	\$3,615.00
Coastal Gateway Health Center	Grant Payment (Siding Scale 4165.21)	\$8,901.27
Neogenomics Laboratories	Indigent Care	\$2,954.08
De Lage Landen Financial Services	Inv # 595610993	\$272.50
Total Expenses		\$91,754.01

Once the Board reviewed the invoices Mrs. Carlo referred the Board to the Funds Summary section of the Treasurer's report, which is set forth below.

Funds Summary	Totals
Prosperity Operating (Unrestricted)	\$812,769.69
First Financial DACA (Unrestricted)	\$1,302,100.75
First Financial DACA (Restricted)	\$6,050.00
First Financial Money Market	\$23,673,077.31
TexStar (Restricted)	\$7,212,577.31
FFB CD Balance	\$0.00
Total District Funds	\$33,006,575.06
Less First Financial (Restricted)	(\$6,050.00)
Less TexStar Restricted Amount	(\$500,000.00)
Less LOC Outstanding	\$0.00
Less First Financial Money Market	\$0.00
Less Committed Funds (See Total Commitment)	(\$1,578,582.91)
Cash Position (Less First Financial Restricted)	\$30,921,942.15
Pending Expenses	(\$91,754.01)
Ending Balance (Cash Position-Pending Expenses)	\$30,830,188.14
*Total Funds (Ending Balance+LOC Outstanding+QIPP Funds Outstanding+Outstanding Chow Loans)	\$33,118,241.08

According to Mrs. Carlo, the District's total funds available as of the reporting period were \$30,830,188.14 and the District's Total Funds were \$33,118,241.08.

Mrs. Carlo noted that the reason for the decrease in cash position from the previous month was due to loan obligations, monthly LTC fees, and regular monthly grant fees.

Regarding the remainder of the Treasurer's Report, Mrs. Carlo updated the Board on the District's Committed Funds; Advance to Hospital for the DY-8 Repayment and IRS Advance Repayment; Interim Working Capital advances ("CHOW Advance"); and outstanding loan balances. (See Exhibit "A-3").

Following the review of the Treasurer's Report, Mrs. Carlo asked the Board to review the bank register, which also includes the invoices previously listed and discussed. (See Exhibit "A-4").

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) December 2025 and January 2026 financials; (ii) the Treasurer's Report; (iii) pay the outstanding invoices; and (iv) approve the Check Register as read. (See Exhibit "A-1", through "A-4"). This motion was seconded by Director Rollo and unanimously approved by all the Board Members.

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

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

8. Receive reports, by:

a. **Administrator's Report:** Mrs. Carlo asked the Board to refer to her Administrator's Report she prepared in anticipation of the meeting. (See Exhibit "B"). Mrs. Carlo reported that the District received a \$9,626.71 reimbursement from Chambers County for previously overpaid property taxes; staff and Attorney Oxford were preparing materials for an upcoming HHSC LoFTS in-depth review; and staff reported that the Oak Grove sale is moving forward with a possible price adjustment and an anticipated April closing.

b. **District Indigent Care Director Report:** Next, President Murrell

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

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

d. **District General Counsel Report:** Attorney Oxford did not have anything further to report other than what will be discussed during the agenda items below.

e. **Coastal Gateway Report:** Turning to the Coastal Gateway report, Dr. Lyons presented Coastal Gateway's monthly report. A summary of the report is found in **Exhibit "E"**.

f. **LTC Report:** The Board was then directed to the Monthly LTC Report. This month, Mr. Johnson reviewed the report to provide a high level review of the District's nursing facilities but also discussed specific facilities' accomplishments and issues. (See **Exhibit "F"**).

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

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2026			
Census	2025 YTD	Jan	YTD Monthly Average
ER Visits	295	287	287
Conversion to Inpatient/observation	28	30	30
Percentage	0	10%	10%
Transferred out of ER	11	7	7
Percentage Transferred out to ER	0	2%	2%
ER shifts covered by doctors	0	0%	0%
Number Inpatient days	52	50	50
Number Hospice days	0	0	0
Number Swingbed days	10	0	0
Number Observation days	30	38	38
Total All Inpt. Days	93	88	88
Average Inpatient days per day	3	2.84	2.84
CTs (# tests)	107	98	98
Xrays (# tests)	256	264	264
Ultrasounds (# tests)	25	16	16
Labs-Covid (#encounters)	38	38	38
Labs-RPP (#encounters)	48	57	57
Labs-All Other (# encounters)	756	834	834
Encounters - Adult Clinic	263	240	240
Encounters - Pediatric Clinic	127	89	89
Behavioral Health patients	46	37	37
Physical Therapy	2	0	0
Labs from FQHQ (# tests)	2	6	6
Radiology from FQHQ (# tests)	26	23	23
Labs from Physician 1 (# tests)	2381	1658	1,658
Radiology from Physician 1 (# tests)	0	0	0
Labs from Physician 2 (# tests)	1192	1282	1,282
Radiology from Physician 2 (# tests)	0	0	0
Labs from Physician 3 (# tests)	810	945	945
Radiology from Physician 3 (# tests)	4	0	0

Yearly Averages									
Census	2019	2020	2021	2022	2023	2024	2025	2026	Average
ER Visits	190	174	220	229	249	262	295	287	238
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	7	10
Percentage Transferred out of ER	5%	7%	5%	5%	4%	4%	4%	2%	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	50	97
Avg. Inpatient Days	4.84	9.55	15.94	12.86	6.74	6.04	4.35	4.17	8.06
Number Hospice days	12	5	9	4	2	0	0	0	4
Number Swingbed days	16	47	48	65	22	17	10	38	33
Average No. of Swingbed	1.34	3.94	4.01	5.38	1.85	1.38	0.85	3.17	2.74
Number Observation days	18	23	25	33	39	34	30	38	30
Total All Inpt. Days	104	190	273	255	144	123	93	88	159
Average Inpatient days per day	3.42	6.23	8.96	8.41	4.76	4.05	3.05	2.84	5.21
CTs	42	57	64	67	80	95	107	98	76
Xrays	204	228	287	249	211	239	256	264	242
Ultrasounds	23	16	37	35	20	25	25	16	25
Labs-Covid (#encounters)	0	0	0	460	47	43	38	38	78
Labs-RPP (#encounters)	0	0	0	120	77	46	48	57	44
Labs-All Other (# encounters)	0	0	0	331	633	600	756	834	394
Encounters - Adult Clinic	576	479	486	294	230	200	263	240	346
Encounters - Pediatric Clinic	283	209	225	252	208	138	127	89	191
Behavioral Health patients	57	11	13	38	43	44	46	37	36
Physical Therapy	5	0	0	1	3	1	2	0	2

Otherwise, Mr. Danishmund and Mr. Javid presented the District's Board with

a plaque of appreciation. According to the two (2) hospital representatives, the Hospital appreciates all the efforts by the District to work with the Hospital to improve services to the residents of District.

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

Director Stramecki told the Board that this agenda item needs to be tabled because he had not had a chance to meet with the Winnie-Stowell Emergency Medical Services to discuss their grant request increase.

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

10. Discuss and take-action, if necessary, on approving the addition of accounts receivable lenders for the AVIR facilities and to authorize the President to execute the requisite loan documents.

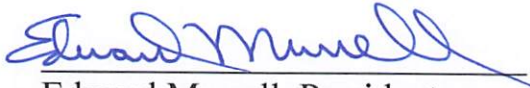
The Board reviewed the proposed financing transaction involving the six Avir skilled nursing facilities, under which Forbright Bank will extend loans to the facility operators and the District will grant a security interest in certain District assets related solely to those facilities, including certain accounts receivable and related deposit accounts, and will enter into related documents including a Security Agreement, Deposit Account Control Agreement, Deposit Account Instructions and Service Agreement, Sublandlord and Subtenant Consents, Assignment of Management Agreements, and related transaction documents. Attorney Oxford explained that, as in prior financing arrangements, neither the District's accounts; other facilities' accounts; tax revenues; nor any QIPP funds are included in the collateral and will not be pledged or encumbered in any way under the transaction documents.

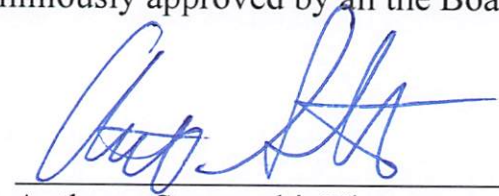
After discussion, a motion was then made by Director Stramecki to approve the transaction and authorized the President of the Board to execute the transaction documents on behalf of the District, subject to final review and approval by Attorney Oxford. The motion was seconded by Director Rollo, and unanimously approved by all the Directors.

11. Discuss and take-action, if necessary, on working with architect to begin review and revisions of prior plans prepared for Coastal Gateway.

No action was taken on this agenda item except that President Murrell appointed himself and Director Way to the building committee and stated that they would start to work with architects to discuss the proposed facility, the District's needs, as well as Coastal Gateway's needs.

At the end of the discussion of the agenda items, President Murrell called for any other such matters before the Board. There being none, the Board then confirmed the date for the next Regular Meeting to be on March 18, 2026. A motion was then made by Director Stramecki at 7:38 p.m., to adjourn the meeting. This motion was seconded by Director Rollo and unanimously approved by all the Board Members present.


Edward Murrell, President


Anthony Stramecki, Vice-
President