

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

A regular meeting of the Board of Directors of the Winnie-Stowell Hospital District (“District”) was called at 6:37 p.m. on the 16<sup>th</sup> Day of July, 2014 at the Winnie Community Hospital-Conference Room Broadway, Winnie, Texas pursuant to a Notice under the Open Meetings Act duly filed and posted a full 72 hours prior to the opening of the said meeting (a copy of said Notice being placed amongst the files of the District).

The roll was called of the members of the Board, to-wit:

Elroy Henry, Chair  
Jeff Rollo, Vice Chair  
Sharon Burgess, Director  
Edward Murrell, Director  
Raul Espinosa, Director

All said Board members were present. In addition to the above named Board Members, also present at the meeting were: Hubert Oxford, IV of the law firm Benckenstein & Oxford, LLP.; Sherrie Norris, District Administrator; Larry Barron, Dirk Harmsen, Danny Thompson, Chris Portner.

At approximately, 6:33 p.m., a quorum was established and the regular meeting of the Board of Directors was convened. Director Burgess first addressed Agenda Item No. 1 and introduced the guests.

Next, Chair Henry asked the Board to move to Agenda Item No. 2 to review and approve Minutes for the following: June 11, 2014 Regular Meeting and June 18, 2014 Emergency Meeting. Director Ed Murrell made a motion to accept the Minutes for the June 11<sup>th</sup> and June 18<sup>th</sup> meetings. This motion was seconded by Director Raul Espinosa with unanimous consent of all Board members present.

Chair Henry asked the Board to move to Agenda Item No. 3 for public comment. Larry Barron stated that he is with United Way and they are offering a program for immunizations for future nurses' aides and Lee College is assisting and is offering some financing and requested that it be put on the next agenda for the board to consider. Also, this program is offered in Anahuac already and they would like to offer it here in the Winnie area and the nurse's aide program is offered by Lee College. This program is for Chambers County to assist in getting nurses' aides for the hospital, nursing home and in the clinics for this area. Hubert asked for something in writing to the district for the potential program. Director Sharon Burgess stated she thinks that the program would have to be accepted by the hospital.

Derk Harmsen stated the foundation was advised by Attorney Oxford to get legal representation on the bankruptcy to protect them and make sure everything transfers without any problems and they did. They incurred quite a bit of legal expenses over \$20,000.00 already, they paid the last bill about \$13,000.00 and they do not have any money left. Mr. Harmsen submitted invoice for \$4,500.00 and there was a remaining balance of \$8,298.00, and they do not have the prior invoices. There was discussion about why the foundation was still incurring attorney fees and the Board members are objecting to entries on the current invoice. The Foundation was requesting that the District to pay the remaining invoices. Attorney Oxford advised that the District may not be able to pay for a private organization with public funds. Also, Attorney Oxford requested that the Foundation request itemized invoices from their attorney and this item will be tabled and added to the August agenda.

Next, Chair Henry asked the Board to move to Agenda Item No. 4, to review and approve financial reports and consider and take action on the payment of invoices and payment of bonds. After a review of the invoices, a brief discussion ensued about the need to amend the budget

at the next board meeting to account for increased attorney’s fees and payments to the Winnie Community Hospital for treatment of the indigent. Director Murrell made a motion to accept and pay all invoices and bills as set forth in **Exhibit “A”**. This motion was seconded by Vice Chair Rollo with a unanimous consent of all Board members present.

Chris Portner was then asked to give a status report on the Hospital and stated things are going well. Danny Thompson talked about the clinic upgrades, setting policies and procedures.

Chair Henry then called the Board into Executive Session pursuant to the Texas Government Code 551.071 at approximately 7:30 p.m. The Executive Session ended at 7:48 p.m.

Upon reconvening in Open Session, Chair Henry asked the Board to move to Agenda AItems No. 5 and No. 6, to discuss and consider taking action on approving the Nursing Home UPL program documents; contracts; and then No. 6, opening operating accounts for Rose Haven and Marshall Manor West. Attorney Oxford advised that the President had signed the necessary conveyance documents for Rose Haven Nursing Home and Marshall Manor nursing home. He was now requesting the Board give the Chair authority to sign the necessary conveyance documents for the five (5) remaining nursing homes. These facilities are:

<b>Owner</b>	<b>Nursing Home</b>
Caring Healthcare	Golden Villa Healthcare, LLC
Caring Healthcare	Marshall Manor Nursing & Rehabilitation Center
Skilled	Clairmont Beaumont
Skilled	Monument Hill Rehabilitation and Nursing Center
Skilled	The Woodlands Healthcare Center

In addition, per Agenda Item 6, Oxford explained the District needed to open up checking accounts at Wells Fargo for Marshal Manor and Rose Have and to open these accounts required an initial deposit of \$50.00. The Board then had some questions about the program and Attorney Oxford explained that he had done extensive research on the Nursing Home program as well as sought outside counsel and it was his opinion and that of outside counsel that this was a fantastic opportunity for the District. Director Murrell then made a Motion to approve the Chairman to sign these five (5) contracts per lawyer's final edits and accountant's approval of financials and open two (2) checking accounts for Rose Haven and Marshall Manor. This motion was seconded by Director Espinosa with unanimous consent of all Board members present.

Chair Henry turned the Board's attention to Agenda Item No. 7, to consider, review on signing the retainer agreement with Durbin and Company for the 2013 Audit. (See **Exhibit "B"**). Director Espinosa made a Motion authorizing Chair Henry to sign the 2013 engagement letter for Durbin & Company subject to confirmation of the price. This Motion was seconded by Vice Chair Rollo with unanimous consent of all Board members present.

Next, Chair Henry asked the Board to address Agenda Item No. 8, to consider, review and approve adopt an investment policy and a depository agreement. (See **Exhibit "C"**). Director Espinosa made a Motion authorizing Chair Henry to adopt and sign the investment policy and depository agreement. This Motion was seconded by Director Murrell with unanimous consent of all Board members present.

Following, Chair Henry asked the Board to address Agenda Item No. 9 to consider and review on approving the contract with the Chambers County Clerk's office to conduct the November 4, 2014 election for two (2) Board members. (See **Exhibit "D"**). Director Murrell made a Motion to approve the contract with Chambers County to conduct the November 4, 2014

election and to pay the \$500.00 deposit. This Motion was seconded by Director Espinosa with unanimous consent of all Board members present.

Next, Chair Henry asked the Board to address Agenda Item No. 10, to consider and review on approving the election order for the November 4, 2014 election. (See **Exhibit "E"**). Director Murrell made a Motion to approve the election Order. This Motion was seconded by Director Espinosa with unanimous consent of all Board members present.

Following approval of Agenda Items 7 through 10, Chair Henry asked the Board to address Agenda Item No. 11, to consider and review the status of the FQHC by Chambers County Public Hospital District No. 1 inside of the District's boundaries. However, Chair Henry explained that since this was discussed in the Executive Session earlier, no action was taken on this agenda item.

The Chair asked the Board to address Agenda Item No. 12, to discuss and take action on reports, there were no reports given. Administrator Norris requested that she be allowed to research the cost of buying iPads for each Board member to save time on preparing board packets and to establish e-mail accounts for each Board member. Attorney Oxford spoke up and explained that several of his other clients were now using iPad's and staff reports a significant amount of time saved and a reduction in copying expenses by scanning the packets and uploading them to DropBox. Mrs. Norris was given permission to research the iPads and to report back to the Board.

Lastly, Chair Henry asked the Board to move to Item No. 13 to set the date of the next meeting. It was agreed upon by the Board that the next meeting would be for Wednesday, August 20, 2014 at 6:30 p.m. Director Murrell made a motion to adjourn and the motion was seconded by Director Espinosa with a unanimous consent of all Board members present. There being no further business to come before the Board, the meeting was adjourned at approximately

9:30 p.m.

  
Elroy Henry, Chair

  
Jeff Rollo, Vice-Chair