

**MINUTES OF 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 noticed and filed pursuant to the Texas Open Meetings Act a full 72 hours prior to the opening of said meeting for 6:30 p.m. on the 17th day of June 2015, at the Winnie Community Hospital ("Hospital")-Conference Room, Broadway, Winnie Texas (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
Ed Murrell, Secretary
Sharron Burgess, Director
Raul Espinosa, Director

All said Board members were present. In addition, to the above named Board members, also present at the meeting was: Sherrie Norris, District Administrator; Hubert Oxford, IV, District Attorney; Deputy Tony King, Chambers County Sherriff's Office; David Smith and Charice Finch, with the LTC Group; and Danny Thompson, with the Thompson Outpatient Clinic, and other interested citizens listed on **Exhibit "A"**.

At approximately 6:36 p.m., a quorum was established and Chairman Henry made introductions that were followed by a request for public comment. Danny Thompson, P.A. with the Thompson Outpatient Clinic, was the only person requesting to give public comment. According to Mr. Thompson, he has questions regarding the number of Indigent patients enrolled by the District to the Indigent Program in the past four years and asked the District to re-review the numbers submitted to the Winnie Community Hospital.

Following the Public Comment, Chairman Henry asked the Board to consider and take action on Agenda Item No. 3, to review and approve the Consent Agenda which included

approving the minutes for:

- May 20, 2015 Regular Meeting; and
- May 29, 2015 Special Meeting.

In addition, Chairman Henry asked the Board to review and approve the financial reports and payment of invoices attached hereto as **Exhibit "B"**. In regard to the financial reports summary, Administrator Norris presented the Board with bills payable and balances for the various District accounts. According to Ms. Norris, the District had \$629,230.13 in its Operations Account with \$44,200.97 in sales tax revenue expected from the Texas Comptroller for Public Accounts within the next week. However, expenses for the previous month amounted to \$40,361.30, leaving a balance of \$633,069.80 in the Operations account after the sales tax revenue deposited and expenses were paid. In addition, there was \$103,725.52 in a CD at Prosperity Bank; \$152,426.55 in the District's TexStar account; plus \$11,309.68 in the District's Interbank account resulting from transferring surplus funds for the IGT on behalf of the Hospital. Following a review of the minutes and the financial statements, Director Murrell made a motion to approve the consent agenda. This motion was seconded by Director Espinoza with the unanimous consent of all Board members present.

Chairman Henry then asked the Board to move to Agenda Item 5(e), to allow the District's Nursing Home Consultants to give their report. Mr. Smith reported that the District has received all reports from the LTC Group except for financials for the Genesis homes for March through July 2015 and all of the District's facilities are in compliance with the District's incentive policies as well as the laws of the State of Texas and the Federal Government. In addition, Mr. Smith was going to start working with the Nursing Home Managers on implementing the District's quality incentive outcome measurements for the Quality Incentive Fee and would report back at the next meeting.

Returning to Agenda Item No. 4, Chairman Henry asked Committee Chairs for a Committee report. The reports by each Committee Chair are as follows:

- **Building Committee:** Chairman Espinoza: Chairman Espinoza ask that his report be discussed during Executive Session pursuant to Section 551.072 of the Texas Government Code.
- **Finance Committee:** Chairman Murrell advised that the Finance Committee needed to have a meeting in order to discuss the budget and any needed amendments to the budget before the District's next regularly scheduled Board meeting.
- **Indigent Healthcare Committee:** Chairwoman Burgess gave a report on the District's meeting with Winnie Community Hospital and presented the Board with Charts and Graphs used at the meeting to illustrate the District's logic in attempting to find an acceptable indigent rate poverty level to be adopted by the District. *See Exhibit "C"*.
- **Personnel Committee:** Chairwoman Burgess reported the District's Indigent Care Director, Donna Sonnier, had resigned because she was offered a new position with her prior employer making more money. She advised that she accepted her letter resignation and commended Mrs. Sonnier on the work she did while employed with the District. In addition, she advised that the Personnel Committee needed to start reviewing resumes previously submitted for the position and asked staff to post the position opening on Southeast Texas.com in order to receive additional resumes for a potential replacement.
- **Hospital Liaison:** Dir. Espinoza. Reported that he had been meeting with the Hospital staff and has been advised that the Hospital has spent approximately \$490,000.00 on the CT Machine; \$80,000.00 on vans for the Hospital; \$30,000.00 in upgrades to the restrooms in the lobby and clinic; \$200,000.00 for room restoration; but the numbers for remodeling the operations room were higher than expected with estimates at \$4,000,000.00.

Following the Committee reports, Chairman Henry asked the Board to return to Agenda Item No. 5 to discuss the reports by the District's Administrator and the District's Attorney.

- a. **District Administrator:** Administrator Norris reported that there was still no change in the status of the District's website but she had communicated with the website designer to inquire about additional information that needed to be given to the Designer in hopes of expediting the process.
- b. **District General Counsel:** Attorney Oxford briefly advised the Board of some potential issues he anticipated between this meeting and the next Board including the request by the Nursing Home Managers with loans guaranteed by HUD to place Block Agreements on the District's accounts for the six nursing homes at issue and the fact that these accounts already had block agreements on them by the lender of the nursing home operations loans. In addition, Attorney Oxford advised the group that he was

going to have to confer with the lender about the distribution of funds for the August UPL payment as the Lender was operating on rules established for the Old Program whereby all IGT funds had to be replenished into the District's Interbank account before any other funds are distributed to vendors.

Next, Chairman Henry reviewed the agenda and asked for a motion to table the following Agend Items as there was no action or discussion needed at the time:

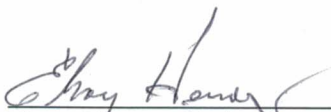
Agenda Item	Agenda Item Topic
6	Discuss and take action, if necessary on amending the 2015 Budget.
7	Discuss and take action, if necessary on obtaining a status report by the Winnie Community Hospital on projects funded by the District.
10	Discuss and take action, on adopting a Personnel Manual.
11	Discuss and take action, on adopting a Patient Confidentiality Policy.
12	Discuss and take action, if necessary on adopting a HIPPA Business Association Agreement with the Winnie Community Hospital.
13	Discuss and take action, if necessary on adopting a Policy adopting for Public Information Request.

A motion was then made by Director Burgess to table Agenda Items 6, 7, 10, 11, 12, and 13. This motion was seconded by Director Rollo with the unanimous consent of all Board members present.

Following the Board's action to table a number of Agenda Item, the Board discussed the need to go into Executive Session pursuant to Section 551.072 of the Government Code to consider and take action on Agenda Items Nos. 8 and 9 to discuss and take action, on potential sale or lease of District's modular building and/or real property and improvements located on Highway 124; and discuss and take action, if necessary, on authorizing the District's engineer to go out for bids to make repairs to modular building located on Highway 124 in order to be compliant with Texas Windstorm criteria for Chambers County, Texas. It was agreed there was no need for Executive

Session and the discussion regarding this property occurred in an open meeting. Director Espinoza advised the Board the Winnie Community Hospital had a strong interest in obtaining the building located on the property and agreed to pay for the relationion of the building if the District would consider donating the facility to the Hospital. In response, Attorney Oxford explained that making such a donation to a private organization was not provided for in either Chapter 271 of the Local Government Code or Chapters 285 or 286 of the Texas Health and Safety Code. Furthermore, Attorney Oxford explained to the Board that he has expressed his concerns with the lawyer for the Hospital, Chris Portner, and requested that the Hospital find out if renting the facility could be accounted for in the Hospital's cost report. Therefore, no action was taken on these agenda items and upon a motion by Director Burgess Agenda Items Nos. 8 and 9 were tabled. This motion seconded by Director Rollo and the unanimous consent of all the Board members.

In closing, the Board discussed advised the next regularly scheduled meeting would be held on July 15, 2015 and then a motion was made by Director Burgess and was seconded by Director Rollo, with the unanimous consent of all Board members to adjourn at 8:29 p.m.


Elroy Henry, Chairman


Jeff Rollo, Vice-Chairman