CONCHO COUNTY HOSPITAL DISTRICT
MEETING MINUTES

STATE OF TEXAS
COUNTY OF CONCHO

1. **Call to Order**
   The Concho County Hospital Board of Directors met in Eden, Texas at the Health and Wellness Center on August 13, 2019 at 5:34 PM.

Board of Directors:	Eric Sanders	Secretary/Treasurer
	Julie Cox	Member
	Richard Doane	Member
	Mary Castanuela	Member
	Ricky Thomas	Member
Others Present:	Brian Lady	CEO
	Priscilla Aguirre	Hospital Operations Manager
	Melanie Lozano	Finance Manager
	Bob Bass	Attorney
	Elizabeth Eureste	Public
	Daniel Nelson	8 Minute Solar
	Robin Bass	Public
	Garrett Peters	K.E. Andrews

2. **Open Forum for Public Comment**
   There was no comment from the public.

3. **Consider and take possible action regarding the adoption of a tax abatement agreement with 224 WB 8ME, LLC pursuant to chapter 312, Texas Tax Code, within the previously designed Concho County Reinvestment Zone No. 3-Galloway, said project to be known as Galloway II.**
   Mr. Bass reminded the Board that in May a project was approved in a previously created reinvestment zone, known as Concho County Reinvestment Zone No. 3, and the first phase of that was Galloway I. He stated that we are in the second phase in that same footprint, and circulated a map of the project. The area of the project is a mile south of Paint Rock to the East side of Highway 83. This agreement is the same as the agreement of the first project other than the project being smaller in size.

   At this time, Mr. Bass introduced Mr. Peters and Mr. Nelson to the Board in order to share additional information from their respective companies. The project is going to be 110 megawatts of capacity. CCH will essentially be entering into an agreement to abate taxes on this second phase of the project. This abatement will be in the form of a pilot payment. A pilot payment represents a percentage of what taxes would normally be collected, but reduced to an average amount over the 10 years of the abatement period. This amount is divided by the capacity to reflect a per megawatt number. In this project the per megawatt number is roughly $338/megawatt at the hospital's tax rate and comes out to $35,640 added to the first phase which was about $81,000, so the hospital will see a little over $100,000 annually for the 10 years. After 10 years, it goes into the tax rolls at full value and the hospital will generate $60,000 a year. During the abatement period of the project, it should generate around $360,000, and over the life of the project $1.5 million. Mr. Nelson gave a brief timeline of the project. The first project, Galloway I, will commence construction early next year. By the end of next year the project will be 80% done. It should be fully completed and operational by early 2021. Galloway II is a piggyback project, and construction will commence in February 2021 and fully completed and placed in service by the end of 2021. The Galloway II is 110 megawatts compared to 250 megawatts of Galloway I. The documentation includes the abatement agreement, a description of the project, the panels themselves, the inverters, the support columns, the substations and operation and maintenance buildings which all go into the valuation that is subject to the tax and abatement. There will be over a half million separate panels and its footprint will occupy about 800 acres. Solar is not as visible as the wind turbines are.

Also attached to the agreement are the guidelines and criteria that were adopted. Exhibit D is a description of the improvements themselves. There is a copy of the County Zone from May 2019 and a spreadsheet with what the expected revenue stream will look like. Mrs. Castanuela asked how many years was the tax abatement. Mr. Bass responded that the abatement will be for 10 years and the reasonable life expectancy of the panels is 20 to 30 years. Mr. Doane moved to approve a tax abatement agreement with Tax Abatement Agreement with 224 WB 8me, LLC, to provide economic development within the county in accordance with Chapter 312 of the Texas Tax Code within the previously designed Concho County Reinvestment Zone No.3-Galloway, said project to be known as Galloway II. Mrs. Cox seconded the motion and it passed 5-0. The Board went into a short recess at 5:53pm to obtain signature pages for the tax abatement agreement. The Board came back into session at 6:05pm. Mr. Lady, CEO, and Mr. Sanders, Secretary/Treasurer, both signed the Tax Abatement Agreement with 224 WB 8me, LLC.

4. **Approval of June 2019 Minutes**
Mrs. Castanuela requested that the statements "Although the pharmacy was not the subject being discussed" and "went ahead and" should be removed from page 5 of the Board Reports. After a brief discussion, Mr. Sanders waited for a motion to approve the June minutes with the suggested corrections by Mrs. Castanuela. Mrs. Castanuela made a motion to accept the minutes with the change that "Although the pharmacy was not the subject being discussed" and "went ahead and" be removed from the minutes. Mr. Thomas seconded the motion. The vote of the motion was 2 for and 2 against and 1 abstaining (Mrs. Cox). The board went into a further discussion because of the tie, and Mr. Lady indicated that he didn't have a problem with the requested changes. Mr. Sanders then called for a re-motion and re-vote for the approval of June 2019 minutes. Mrs. Castanuela again made the motion with the above stated corrections, and Mr. Thomas seconded the motion. This time the motion passed 4-0 with Mrs. Cox abstaining from voting.

5. **Monthly Performance Improvement/QA Monitors**
The Board reviewed the Monthly Performance Improvement/QA Monitors reports presented to them. Mrs. Cox asked why the charts are not being signed? Mrs. Aguirre responded that it's a deficiency on the history and physical and a note is taken and is sent back to the physician, then they come back in and correct them. Mr. Sanders then asked what I&O documentation was on the report? One of the attendees answered intake and output. Mr.

Sanders then asked Mrs. Aguirre if she had been training in the new QA/PI Risk Program, and she responded yes. Mrs. Cox asked what 'monitor patient EHR for free text allergies' meant. Mrs. Aguirre responded that this was Lacye's monitor and she goes into the chart to make sure that the allergies are listed in there. This is not only part of her internal checks, but also one of the checks required for the Waiver. With no further questions, the Board moved on to the next agenda item.

6. **Billing & Revenue Cycle Management**
Mrs. Aguirre handed out 3 reports for the month; the aging analysis, work orders for maintenance and stats for inpatients and outpatients. Mr. Sanders asked how many patients we had for the month. Mrs. Aguirre responded that there was 3 for the period. Mrs. Castanuela asked why one report stated 3 admissions and the other report had 5. Mrs. Lozano answered that one report was for admissions, and would indicate the number of admissions, and the other report was for patient days, and would reflect the number of patient days.

7. **Financial Statement and Accounts Payable for June 2019**
Mrs. Lozano went over the Financial Summary for the month and reminded the Board that it was a cash-based summary. She stated that the district revenue runs out by now because of the summer months. For the month of June the expenses were $587,688 and the cash intake was $368,291, mostly of a result of no patient days and inpatient cash being $2,219. CCH did have some swingbed cash which resulted in $80,011. There was no detox cash for the month. She then stated that cash from the ER was only $40,187 for the month because of issues encountered when transitioning to a new company coding the ERs. Mrs. Aguirre relayed that the lag existed because the new ER coding company that started coding for CCH in May needed to be trained in our software and then perform system testing, and it was 1.5 months before they could drop bills, so that reimbursement should hit soon. Mrs. Lozano informed the Board that we did have a payable to Novitas in the amount of $30,629 as a result of a lump sum adjustment with the cost report. She then stated that we received DSH money in the amount of $91,731.86 that helped the booked revenue show a profit.

8. **Executive Session**
Mr. Sanders asked Mr. Lady if the Board needed to go into Executive Session. Mr. Lady indicated that there was no need for an Executive Session at this time.

9. **Adjournment**
Mr. Doane made a motion to adjourn the meeting. The motion was seconded by Mr. Thomas, passed 5-0. The meeting adjourned at 6:30pm.

Eric Sanders

Date 8-27-2019