

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF MANAGERS OF
THE WALKER COUNTY HOSPITAL DISTRICT
March 23, 2016**

STATE OF TEXAS X
COUNTY OF WALKER X

The Board of Managers of the Walker County Hospital District, Walker County, Texas met in a regular session, open to the public, Wednesday, March 23, 2016 at 7:00 p.m. at Huntsville Memorial Hospital, Huntsville, Texas.

Members of the Board present included:

Chairman, Robert Hardy
Secretary, Jerry Larrison
Manager, Susan Mott
Manager, Judy Emmett

Absent from meeting Vice Chairman Ron Lange.

Also in attendance were: Keli Molina, WCHD Administrative Assistant; Dawn Lawrence, HMH Chief Operating Officer; Ronnie White, Walker County Commissioner Precinct #2, Reba White; Jimmy D. Henry, Walker County Commissioner Precinct #4, Mary Henry, and guest Donna Pinon.

Agenda Item #1: Call meeting to order.

Chairman, Robert Hardy called the meeting to order at 7:06 p.m.

Agenda Item #2: Consider approving the minutes for the meeting held February 24, 2016.

Mrs. Mott made a motion to approve the minutes of February 24, 2016. Mr. Larrison made a second to the motion. The motion carried with 3 board members voting for the motion and 1 abstained from voting.

Agenda Item #3: Comments from the public. If you wish to address the Board of Managers, please register prior to the meeting being called to order.

None were made

Agenda Item#4: Consider approving payment of indigent care bills.

Mrs. Molina, WCHD Administrative Assistant, reviewed the indigent care report for the month of March 2016 in the amount of \$9,300.44. Mr. Larrison made a motion to pay the indigent bills as presented. Mrs. Mott made a second to the motion. The motion carried with 3 board members voting for the motion and 1 abstained from voting.

Agenda Item #5: Review and consider approving the monthly financial report.

Chairman Robert Hardy reported that the Hospital District had revenues of \$300,912.70 and expenditures of \$985,389.88 for the month of February 2016. Mrs. Mott made a motion to accept the financial report as prepared. Mr. Larrison made a second to the motion. The motion carried with 3 board members voting for the motion and 1 abstained from voting.

Agenda Item #6: Consider approving payment of monthly bills.

Mr. Larrison made a motion to approve the monthly bills presented in the amount of \$14,597.01. Mrs. Mott made a second to the motion. The motion carried with 3 board members voting for the motion and 1 abstained from voting.

Agenda Item #7: Approve the recording of March 2016 budgeted indigent care expense in the amount of \$576,664.00.

Mr. Larrison made a motion to approve the recording of the budgeted indigent care expense for the month of March totaling \$576,664. Mrs. Mott seconded the motion. The motion carried with 3 board members voting for the motion and 1 abstained from voting.

Agenda Item #8: Consider giving approval to Walker County Appraisal District to accept bids received on the properties in trust owned by the taxing jurisdictions.

None at this time.

Agenda Item #9: Comments and reports from managers and HMH administration.

Mr. Hardy reported that Hilltop Securities is on schedule and well into the sell process work related to the hospital sale. They have initiated contact with a number of prospective healthcare systems and health-related entities and have distributed Confidentiality Agreements to several interested parties. To date they have received three signed agreements and are actively working through proposed revisions with three additional parties that have expressed an interest in being included in the process. In addition to the parties they initially reached out to, they have been contacted by other parties who have expressed an interest after reviewing the press release concerning the District's search. Hilltop Securities is on timeline with the Confidentiality Agreements and hopes to have all agreements finalized and believe they will have executed agreements from all interested parties by the end of March.

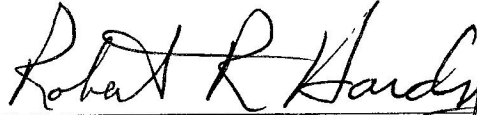
They have also been dual-tracking the Confidentiality Agreements process with the development of the "Confidential Information Memorandum", which will be distributed along with the development of the Request for Proposals to the parties that have submitted an executed Confidentiality Agreement.

The proposed final form of the above mentioned documents should be delivered to the District Board for review and approval in early April. With an early April approval it is reasonable to expect a mid-summer timeframe for the District to receive its responses, to evaluate those responses and to select a "finalist" with which to negotiate and sign a Definitive Agreement.

Dawn Lawrence, HMH Chief Operating Officer stated that HMH received a Stroke Accreditation about two weeks ago and received several awards in their bariatric program and wound care center. HMH will be hosting a Color Run in April and expect to have 1200 people entered. Medicare sent HMH a report that shows HMH has the lowest spend rate per Medicare subscriber, which shows HMH has the lowest cost to Medicare patients in the entire Houston area.


Agenda Item #10: Adjourn meeting

There being no further business, Chairman, Robert Hardy adjourned the meeting at 7:36 PM.


Chairman Robert R. Hardy
Walker County Hospital District

{Seal}

Attest:



Jerry Larrison, Secretary
Walker County Hospital District