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Minutes of the Regular Meeting of the Board of Directors

December 2, 2025

The Governing Board of Gonzales Healthcare Systems met in a regular meeting

On December 2, 2025, at 5:15 P.M. at THRIVE Healthplex Conference Room.

Directors Present:

Dr. Kenneth Gottwald - President

Greg Tieken – Vice President

Dr. Stephanie Kodack – Secretary

Gene Reed – Member

Lisa Gindler – Member (virtual 5:29p)

David Malaer - Member

Jean Burns – Member

Wayne South – Member

Directors Absent:

Sascha Kardosz – Member

Others Present:

Brandon Anzaldua, CEO

Billy Bailey, CFO

Juli Clay, Compliance Officer

John Pirkle, Infection Control/Quality Director

Karen Iacuone, CNO

Amanda Frederick, CNO

Dr. Kathleen Koerner, DO, FACOS, Chief of Staff

Jeff Markham, Clinic Director

Britney Farris, Executive Assistant

Chip Holmes, Ovation (virtual)

Phillip Stubblefield, Ovation (virtual)

Aaron Milligan, Partner D. & Co. (virtual)

Shonna Cannaday, Partner D. & Co. (virtual)

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The meeting was called to order at 5:15 P.M. by Dr. Kenneth Gottwald – President.

CALL TO ORDER

The Pledge of Allegiance was led by Gene Reed.

PLEDGE

The Invocation was given by Wayne South.

INVOCATION

There was no one present for Public Comment.

PUBLIC COMMENT

Motion was made and **approved** to accept the Fiscal Year 2025 Financial Statement Audit & Cost Report presented by Aaron Milligan, Partner D. & Co. (Motion by Greg Tieken, Second by David Malaer) There were seven votes for and no votes against the motion.

APPROVED

**2025 AUDIT & COST
REPORT**

Phillip Stubblefield presented the Ovation Health Care - Board Education.

This item was for informational purposes only and required no action from the Board.

OVATION HEALTHCARE MONTHLY UPDATE

Chip Holmes provided the Ovation Healthcare update by reflecting on the recent compliance and board-education efforts led by Philip, Julie, and Fletcher, noting the strong legal support in place and how this work reinforces the board’s fiduciary duties of care, loyalty, and obedience. He emphasized the importance of staying aligned with regulations and maintaining strong governance practices, especially as other states—particularly in New England—are beginning to scrutinize nonprofit hospital boards more closely and require proof of fiduciary engagement.

He also highlighted the broader policy environment, noting ongoing national conversations around Medicaid funding, rural transformation dollars, and Affordable Care Act changes that could impact hospitals in the coming months. Chip underscored the value of staying proactive and focused on controllable factors amid shifting federal and state landscapes. He concluded by expressing appreciation for the board’s continued partnership and wishing everyone a happy holiday season.

Motion was made and **approved** to accept Memorial Home Health Agency
Governing Body Orientation Presented by Amanda Frederick (Motion by Stephanie
Kodack, Second by Gene Reed) There were seven votes for and no votes against
the motion.

APPROVED
HOMEHEALTH
ORIENTATION

CONSTRUCTION UPDATE

Brandon Anzaldua provided the construction update, noting that the current projected completion date for the surgery expansion is mid-June. A punch-list walkthrough was conducted earlier in the day with members of the Building Committee, senior leadership, E4H, Broadus, and AGCM. A large number of issues were identified—most of them cosmetic, though some involve ceiling penetrations, plumbing gaps, and other items that must be corrected before inspection. Contractors believe they can address the items by the December 8 inspection date, though the architect expressed doubt about the timeline.

Brandon also updated the board on the CMU wall concerns, explaining that structural issues are under review by WJE, with remediation options ranging from repairs to a full rebuild, which could significantly delay the project. All documentation is being forwarded to legal counsel as negotiations continue with Broadus and AGCM regarding delays, responsibilities, and potential arbitration. Due to the extensive documentation and anticipated negotiation workload, Brandon noted a likely need to extend AGCM’s contract and will bring forward a budget amendment next month to outline the financial impact.

Motion was made and **approved** to accept AGCM Extension Request **Option #1**
to retain the current team working on the project. (Motion by Greg Tieken,
Second by Stephanie Kodack). There were seven votes for and no votes against
the motion.

APPROVED
OPTION #1

Motion was made and **approved** to accept ASR #3 Low Voltage Changes **not**
to exceed \$8,000. (Motion by Jean Burns, Second by David Malaer) There were
seven votes for and no votes against the motion.

APPROVED
ASR #3

Consent Agenda

- Minutes of the Gonzales Healthcare Systems Foundation Meeting October 15, 2025
- Minutes of the Regular Meeting of Board of Directors, November 4, 2025
- Minutes of the Executive Committee Meeting, November 25, 2025
- Minutes of the Building Committee Meeting, November 6, 2025
- Minutes of the Building Committee Meeting, November 13, 2025
- Minutes of the Building Committee Meeting, November 20, 2025
- AGCM Invoice

- E4H Invoice
- Raba Kistner Invoice
- Pay App #15
- Memorial Clinic Remodel
- Oncology - DeTar Healthcare Systems Specialty Clinic Space Lease Agreement
- PHI Cares agreement with Gonzales County ESD #1, Texas
- Board of Directors Confidentiality Agreement
- Child Abuse, Adult Abuse and/or Neglect, Elderly and Disabled Abuse and Neglect and Family Violence (HH 484.10(b) G 107; 97.249) (Review Only)
- 340B Program (Review Only)
- 340B Program Contract Pharmacy (Review Only)
- Charge Formulary - Updated
- Common Law Spouses (Review Only)
- Direct Admission Procedure for Non-RHC Patients (Routine, Non-Emergent) (Review Only)
- Direct Admission Procedures for Sievers Medical Clinic – STAT (Emergency Admissions) (Review Only)
- Providing Patient Care – Gonzales County Sheriff’s Department Inmates (Review Only)
- Scope of Services – Memorial Hospital (Review Only)
- Suicide Risk Screening and Response Policy – updated
- Guest Care – Updated
- Hysterectomy Acknowledgment – Medicaid Patient’s 36.4.18.6 – Review only
- Time-Attendance-Time Off Requests-Failure to Badge-Lunch and Breaks – Updated
- Nursing Home QIPP Report

Motion was made and **approved** to accept the consent agenda with the following changes to policy #5 Common Law Spouses: “removed husband and wife and changed to spouses” and Policy #8 Providing Patient Care – Gonzales County Sheriff’s Department Inmates: “When medically necessary and available, providers will prescribe generic medications. All prescriptions will be sent to the county’s preferred pharmacy. If the pharmacy is unable to fill the prescribed medication, the provider’s nurse will print a copy of the medication orders and provide them to the Sheriff’s Department. Under no circumstances will prescriptions be given directly to the prisoner.” and tabling Policy #13 Time-Attendance-Time Off Requests-Failure to Badge-Lunch and Breaks because of incomplete document. (Motion by Gene Reed, Second by Greg Tieken) There were seven votes for and no votes against the motion.

**APPROVE
CONSENT
AGENDA**

FINANCIAL REPORT AS PRESENTED BY BILLY BAILEY:

Motion made and **approved** to accept the Financial Report for October 2025 As presented with the following documents:

**FINANCIAL
REPORT
APPROVED**

- Balance Sheet
- Cash Flow Sheet
- Current Month and YTD Income Statement Compared to Last Year
- Current Month and YTD Income Statement Compared to Budget
- Departmental Charge/Expense Report
- Departmental Charge/Supply Expense Report
- Receivable, Payor Mix and Collections
- Cash Comparison
- Trend Report
- Capital Expenditure Report
- Investment Schedule
- Construction and Remodeling Spending
- Nursing Home Financials

(Motion by Gene Reed, Second by David Malaer) There were seven votes for the motion and no votes against the motion.

CEO REPORT AS PRESENTED BY BRANDON ANZALDUA:

CEO REPORT

Brandon Anzaldua gave the CEO report, noting that nine Town Hall sessions were held across the facility with strong participation, and daily leadership rounding continues throughout all departments. He reported that construction remains delayed, with the front hallway remodel expected to be completed in November 2025 and the full project now projected for June 2026. The front hallway inspection is scheduled for the week of December 15. Recruitment efforts continue across multiple specialties, with Dr. Mena set to begin in January and another candidate expressing interest in returning to Texas in 2026. Board development updates were shared, and the Critical Access Hospital application has passed its first federal review. Leadership development remains active, and growth strategies include surgeon recruitment and exploration of telehealth options. Brandon also noted preparations for the December 12 Christmas party, ongoing survey readiness activities, new contractor quotes for the Memorial Clinic remodel, and leadership transitions within Nursing Administration as Amanda Frederick steps into the role of CNO and interviews begin for the Home Health Administrator position.

Upcoming Events:

- December 23rd – Executive Committee Meeting
- January 6th – Board Meeting

Motion was made and **approved** to accept the CEO report as presented with the following documents:

**APPROVE CEO
REPORT**

- Department Reports
- GHS December Newsletter

(Motion by Stephanie Kodack, Second by David Malaer) There were seven votes for the motion and no votes against the motion.

Motion was made and **approved** to close Open Session of the Board of Director’s meeting at 7:23 PM on December 2, 2025.

**CLOSE OPEN
SESSION**

(Motion by Gene Reed, Second by David Malaer) There were seven votes for and no votes against the motion.

Meeting was called into Executive Session, Pursuant to the Provisions of Chapter 551 of the Texas Government Code; Section 551.071, Section 551.072, Section 551.073, Section 551.074, Section 551.076, Section 551.085, and Section 161.032 under the Texas Health & Safety Code at 7:31 PM on December 2, 2025.

**EXECUTIVE
SESSION**

(Motion by Gene Reed, Second by Wayne South) There were seven votes for and no votes against the motion.

Motion was made and **approved** to adjourn Executive Session at 8:05 PM on December 2, 2025. (Motion by Gene Reed, Second by Wayne South) There were seven votes for and no votes against the motion.

**ADJOURN
EXECUTIVE
SESSION**

The meeting was called into the Open Session at 8:05 PM on December 2, 2025. (Motion by Gene Reed, Second by David Malaer) There were seven votes for and no votes against the motion.

**CALL MEETING
INTO OPEN
SESSION**

Motion was made and **approved** to accept the Medical Staff Report as presented in Executive Session. (Motion by Jean Burns, Second by Stephanie Kodack) There were seven votes for and no votes against the motion.

**APPROVE
MEDICAL STAFF
REPORT**

Motion was made and **approved** to accept the Performance Improvement and Patient Safety Report. (Motion by Jean Burns, Second by David Malaer) There were seven votes for and no votes against the motion.

**APPROVE
PI/PS REPORT**

Motion was made and **approved** to accept the Compliance Report. (Motion by Greg Tieken, Second by Stephanie Kodack) There were seven votes for and no votes against the motion.

**APPROVE
COMPLIANCE**

Motion was made and **approved** to accept the Home Health QAPI Qtr. 2 2025 Report. (Motion by David Malaer, Second by Jean Burns) There were seven votes for the and no votes against the motion.

**APPROVE
QAPI Qtr. 2
REPORT**

Motion was made and approved to accept Dr. Sunderland's Contract. (Motion by Wayne South, Second by David Malaer) There were seven votes for and no votes against the motion.

**APPROVE
CONTRACT**

Motion was made and **approved** to adjourn the meeting. (Motion by Wayne South, second by David Malaer) There were seven votes for and no votes against the motion.

ADJOURNMENT



Kenneth Gottwald
President



Stephanie Kodack
Secretary