DEAF SMITH COUNTY HOSPITAL DISTRICT — Hereford Regional Medical Center

Board of Directors Meeting Minutes July 23, 2026

The Deaf Smith County Hospital District Board of Directors met in a regular monthly meeting on Thursday July 23, 2026, at 5:30 pm in the Board Room of Hereford Regional Medical Center.

Directors present: Tanner Black, Kevin Bunch, Robert de la Cruz, Tim Laws, Carla Purcella, Troyce Sturgess and Chris Woodard.
Other attendees: Candice Smith, CEO; Paul Gafford, CFO; Kristin De Los Santos, COO: Kay Gudgell, CNO; Jodi Jordan, Admin Asst.; Dr. Trevor Rohm, Medical Director; Jim Steiert, Hereford Brand; Ali Andrews and Jose Beceiro, Google; Alyssa D'Cunha, IP Roman Intersect and Guests/Public, numerus members of the public and representatives of interested parties were in attendance. Attendance sign-in sheets are maintained with the official meeting records.

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1. **Call to Order, Pledge, and Invocation**
   Kevin Bunch, Chairman, called the meeting to order at 5:35 p.m. Mr. Bunch led the Pledge of Allegiance and Mr. Black offered the invitation.

2. **Public Comment**
   Chairman Kevin Bunch welcomed those in attendance and reviewed the public comment process. He clarified that the purpose of the meeting was not to consider approval or denial of the proposed data center project or to address air or water quality, but to consider matters related to tax abatements under Chapter 312 of the Texas Tax Code. Several members of the public addressed the Board regarding the proposed data center and related energy projects. Comments included concerns regarding water usage, air quality, effects on agriculture and the cattle industry, increased property values and taxes, infrastructure, transparency and public notice, the pace of development, and the appropriateness of granting tax abatements to large corporations. Other speakers expressed support for the projects and discussed potential economic benefits, including increased investment, employment opportunities, and additional revenue to the community. The Board received the comments but did not take action during the public comment portion of the meeting.

3. **Chairman Report**
   Order of General Elections
   Mrs. Purcella made a motion to approve the order of general election for Deaf Smith County Hospital District. Motion was seconded by Mrs. Sturgess. By a show of hands, motion carried unanimously.
   Approval of Minutes
   Mr. de la Cruz made a motion to approve June 25, 2026. Motion was seconded by Mr. Woodard. Motion carried

4. **Tax Abatement Guidelines Public Hearing**
   The Board opened the public hearing regarding proposed tax abatement agreements associated with the data center and related renewable and natural gas generation projects. Representatives of Intersect and Google provided information regarding the proposed projects and responded to questions from the Board. Intersect discussed proposed solar, wind, and natural gas generation facilities intended to support the development of the data center project. Representatives explained that renewable generation would serve as the primary power source, with natural gas generation

providing additional firming or backup capacity. Google representatives discussed the anticipated useful life and investment associated with the proposed data center. The current site plan contemplates four data center buildings, with an estimated minimum capital investment of approximately $1 billion per building. Representatives estimated approximately 50 to 100 permanent full-time positions per building and potentially up to 2,000 temporary construction jobs. The average wage for full-time positions was estimated at approximately $100,000 annually. The Board discussed local hiring, workforce development, community investment, taxable values, verification of capital investment, payment-in-lieu-of-taxes provisions, inflation adjustments, project phases, commercial operation dates, water usage monitoring, wastewater treatment, and anticipated solar and wind generation capacity. Representatives stated that the first phase is further along in development; however, future renewable and natural gas phases would be evaluated separately and could be reconsidered based upon financial feasibility and whether requested abatements are granted. Additional public comments were received both in support of and opposition to the proposed tax abatements. Concerns included the financial impact of granting abatements, property taxes, environmental and water concerns, and whether incentives were necessary for projects already under development. Others discussed the role of tax abatements as an economic development tool and the potential long-term economic benefits to Deaf Smith County.

5. **Approval of Tax Abatement Guidelines and Criteria**
The Board reviewed revisions to the District's Tax Abatement Guidelines and Criteria as recommended by the District's legal counsel. The revisions included clarification of language regarding circumstances under which a tax abatement agreement shall not be authorized, violations of applicable codes or laws, and the tax abatement fee request within the application process. Black made a motion to approve the tax abatement guidelines and criteria as presented. Motion was seconded by Mr. Laws. By a show of hands, motion carried unanimously.

6. **Chief Financial Officers Report**
Review and approval of presentation of financial statements.
Mr. Gafford presented the June 2026 month-end financial statements along with comparative statistical graphs for the nine months ended June 30th. Stats show a modest increase in acute inpatient admissions while both swing bed and nursery admissions have declined. Ancillary stats show a decline in surgeries, rehab/PT, and lab volumes. Patient encounters have also dropped in both the ER and Clinic locations. Key financial indicators continue to show strong ratios, with 330 days cash on hand, 37 net days in accounts receivable, and a current ratio of $5.34. June 2026 resulted in net income of approximately $236,000, positively impacted by a favorable payer mix, lower group health claims, and disproportionate share estimate changes. Mr. Woodard made a motion to approve the financials as presented. The motion was seconded by Mrs. Purcella. The motion carried.

7. **Chief Executive Officers Report**
Review and approve Resolution authorizing the decommissioning of licensed Medical/Surgical Beds
Candice Smith discussed the previously presented plan to decommission dual-occupancy medical/surgical beds in preparation for the possibility of applying for Critical Access Hospital designation

A motion was made by Mr. Laws to approve the resolution as presented. The motion was seconded by Mrs. Sturgess. By a show of hands, the motion carried unanimously.

8. **Medical Staff Report**
   Dr. Rohm was called away to attend to patient care; therefore, the Medical Staff report was tabled for this month.

   Executive Session
   At 7:22 p.m., Mr. Bunch announced that a closed meeting would be held pursuant to Tex. Health & Safety Code §161.032 and Tex. Gov. Code §551.071 regarding appointments and reappointments of Medical Staff and Non-Physician Clinical Providers to Hereford Regional Medical Center, and pursuant to Tex. Gov. Code §551.087 regarding economic development negotiations. Mrs. Purcella made a motion to enter executive session. The motion was seconded by Mr. Black. The motion carried.

   The following action was taken:
   Mrs. Purcella made a motion to reappoint, appoint and voluntary resignation the following providers:

   Initial Appointment: Appointment
   Provisional Status
   Drury, James, DO – Emergency Medicine
   Poole, Charla, MD - Emergency Medicine
   Stratton, Nathan, MD - Emergency Medicine
   Consulting Status
   Lynn-MaCrae, Alastair, MD - Otolaryngology
   Allied Health
   Reappointment – Active
   Dominguez, Samantha, NP – Nurse Practitioner
   Heiman, Jennifer, NP – Nurse Practitioner

   Mr. Laws seconded the motion. Motion passed unanimously.

Tax Abatement Agreement – Google
Mr. Bunch called for a vote regarding approval of the Tax Abatement Agreement with Google. Board members were asked to vote for, against, or abstain. The results of the vote were as follows: Kevin Bunch, Robert de la Cruz, Carla Purcella, Troyce Sturgess, and Chris Woodard in favor, Tanner Black against, and Tim Laws abstained. The Tax Abatement Agreement was approved.

Tax Abatement Agreement – Intersect
Mr. Bunch called for a vote regarding approval of the Tax Abatement Agreement with Intersect. Board members were asked to vote for, against, or abstain. The results of the vote were as follows: Kevin Bunch, Robert de la Cruz, Carla Purcella, Troyce Sturgess in favor, Tanner Black against, and Tim Laws abstained. The Tax Abatement Agreement was approved.

9. **Adjournment**
Mrs. Sturgess made a motion to adjourn. Mr. Black seconded. Motion passed unanimously. The meeting adjourned at 8:34 pm.

Kevin Bunch, Board Chairman