LAKES REGIONAL COMMUNITY CENTER

REGULAR MEETING OF THE BOARD OF TRUSTEES
WEDNESDAY, JULY 22, 2026, 5 PM

MEETING TO BE HELD IN PERSON AND VIA ZOOM
AVAILABLE TO THE PUBLIC:

You are invited to the LRCC Board of Trustees Meeting.

Topic: Board of Trustees Meeting
Location: 655 Airport Rd., Sulphur Springs,TX or via Zoom
Date and Time: Wednesday, July 22, 2026, 5:00 PM

Join Zoom Meeting
https://us06web.zoom.us/j/86503778526?pwd=bz7jc6R69cNNT3yxwtfJbPrRxOKah0.1
Meeting ID: 865 0377 8526
Passcode: 221289

Dial In: (346) 248-7799
Meeting ID: 865 0377 8526
Passcode: 221289

AGENDA

AGENDA NUMBER	TOPIC
07.01.26	**CALL TO ORDER** • Roll Call / Introduction of Guest(s)
07.02.26	**APPROVAL OF MINUTES** • Regular Board Meeting Minutes of June 24, 2026
07.03.26	**COMMENTS FROM CITIZENS** *Presentations are limited to three minutes per person and must pertain to an agenda item. The Board reserves the right to limit the number of speakers and/or the length of comments on any topic. Citizens wishing to address the Board must register prior to the start of the meeting.*
07.04.26	**COMMITTEE MEETING REPORTS** • N/A
07.05.26	**RECOMMENDATION FOR APPROVAL** • Addition of Kaufman County to the General Revenue Counties of Lakes Regional Community Center

07.06.26 **FISCAL REPORT** *(Mike Konieczny)*

- Consideration of and possible action to accept the Center's Financial Statement for the Period ending: June 30, 2026

07.07.26 **AUTHORITY ADMINISTRATION SERVICES REPORT** *(Susan Chaffin)*

- Contracts
- Rights/Abuse, Neglect & Exploitation Allegations
- QM Activities for MH, NTBHA & Substance Abuse
- QM Activities for IDD

07.08.26 **PLANNING AND NETWORK ADVISORY COMMITTEE (PNAC) UPDATES AND RECOMMENDATIONS** *(Susan Chaffin)*

07.09.26 **PROGRAM REPORTS – JUNE 2026**

- Behavioral Health Services Report *(Didi Thurman)*
- LIDDA Overview *(Clara Daniel)*
- Intellectual & Developmental Disabilities Report *(Laurie White)*
- Early Childhood Intervention *(Angela Spradlin)*

07.10.26 **INFORMATION SERVICES STATUS REPORT** *(Chris Cox)*

07.11.26 **HUMAN RESOURCES REPORT** *(Jessica Ruiz)*

- Staffing Issues
- Compensation and Benefits

07.12.26 **CEO COMMENTS** *(Wayne Vaughn)*

07.13.26 **ADJOURNMENT**

Lakes Regional Community Center
Upcoming Board-Related Meetings & Events

August 26, 2026
1525 Airport Road
Rockwall, Texas

LAKES REGIONAL COMMUNITY CENTER
REGULAR MEETING OF THE BOARD OF TRUSTEES
WEDNESDAY, JUNE 24, 2026, 5PM
BOARD MINUTES

AGENDA NUMBER	TOPIC

06.01.26 CALL TO ORDER

The June 24, 2026 regular meeting of the Lakes Regional Community Center Board of Trustees was called to order by Chairperson Tom Brown at 5:00 p.m. A quorum was present, either in person or via Zoom.

Members Present (In Person/Zoom):

Tom Brown, Hunt County, Chairperson	Margaret Webster, Kaufman County
Bryan Oliver, Veteran Representative	Shae Green, Rockwall County
Steve Earley, Lamar County (via Phone)	Jan Brecht-Clark, Ph.D., Delta County (Zoom)
Nancy Leflett, Titus County (Zoom)	E. P. Pewitt, Morris County (Zoom)
Crystal Richardson, Navarro County (Zoom)	Melanie Bass, Camp County (Zoom)

Members Absent:
Dana Sills, Hopkins County; Lisa Heine, Ellis County (Zoom); Sheriff Ricky Jones, Franklin County
Vacant Seat(s): N/A
Guest(s):
Ed Busch, IS
Ex Officio Members Present: N/A
Ex Officio Members Absent: Sheriff Bragg, Titus County; Sheriff Martin, Morris County
Management Staff Present:
Wayne Vaughn; Mike Konieczny; Didi Thurman; Susan Chaffin; Jessica Ruiz; Laurie White; Chris Cox; Angela Spradlin
Management Staff Zoom: Clara Daniel
Management Staff Absent: N/A
Board Liaison/Recording Secretary:
Tammy Johnson, Board Liaison/Recording Secretary
Martha Andrade, Fiscal Administrative Assistant

Chairperson, Tom Brown, welcomed new Board Member Bryan Oliver to the meeting.

06.02.26 APPROVAL OF MINUTES

Recommended Board Action:

- Approval of the Regular Board of Trustees Meeting Minutes of May 27, 2026.

Jan Brecht-Clark made a motion to approve the minutes, which was seconded by E. P. Pewitt. The motion carried unanimously.

06.03.26 COMMENTS FROM CITIZENS

- There were no public comments.

06.04.26 COMMITTEE MEETING REPORTS

- **Human Resource Committee**
  - Jessica Ruiz provided an overview of insurance costs, coverage, and benefit options to the Human Resources Committee.

- Recommendation to remain with Blue Cross Blue Shield. Lakes Regional will absorb the 4.4% increase, approximately $232,000 annually. Employee health premiums remain unchanged.
- Dental and vision coverage will move from Mutual of Omaha to Reliance Matrix, providing a larger provider network. Dental premiums decrease by 15%, and vision premiums decrease by 5%.
- Hospital Indemnity Insurance will be added as an optional employee benefit.
- Inclusion of FedLogic to benefit plan, which will help employees explore Medicare, Medicaid, and other assistance programs while potentially reducing healthcare costs. FedLogic is a performance-based cost structure; Lakes pays FedLogic only when savings or measurable benefits are achieved.

06.05.26 RECOMMENDATIONS FOR APPROVAL

➢ **Review and take possible action on FY 2027 Insurance Coverage**

Shae Green, HR Committee Chair, made a motion to accept the insurance/benefits proposal that was presented. E. P. Pewitt seconded, and the motion carried unanimously.

➢ **Review and take possible action on the Artificial Intelligence (AI) Policy**

- New AI Policy establishes guidelines for AI use and AI-generated content. Detailed procedures will address consents and approved systems.
- AI assists staff but does not replace clinical services or documentation responsibility. Staff remain responsible for all content and decisions.
- Initial AI implementation of Heidi - Heidi listens to sessions, identifies speakers, summarizes discussions, and helps organize notes.
  - Clinicians review and edit all content before finalizing. Improves note quality, reduces administrative burden, and allows clinicians to focus more on clients.
  - Written consent is required before AI use, verbal consent is required each session, and consent may be declined or revoked at any time.
  - Heidi is Texas RAMP-certified, uses U.S.-based data centers, encrypts data, and operates under a data use agreement.
- HHSC requires notification when AI tools are used but does not currently require approval of individual tools.
- Staff may only use center-approved and vetted AI tools. Personal or unapproved tools are prohibited.
- Implementation begins in ECI and may later expand to mental health and IDD services.
- Policy language was amended to clarify that "AI must not be the sole tool used to inform" clinical treatment decisions.

Melanie Bass made a motion to approve the AI policy with the amendment as stated, seconded by Steve Earley. The motion passed unanimously.

➢ **Review and take possible action on the Auditor Engagement Letter for the Annual Financial Report**

- This is the second year using Whitley Penn. The center reported a positive experience after transitioning from a previous auditor.
- The audit fee is increasing by $4,000 as part of normal annual fee adjustments. Whitley Penn did not increase its original quoted fee after the high-risk designation, although the agreement allows additional charges if extra work is required. The center's high-risk status (due to previous auditor's late submission) requires additional audit sampling and review procedures.

A motion to approve the Auditor Engagement Letter was made by Margaret Webster, and seconded by E. P. Pewitt. Motion passed unanimously.

06.06.26 **FISCAL REPORT** (Mike Konieczny)

Recommended Board Action:

- **Accept Center's Financial Statement for the Period Ending: May 31, 2026**
  - May reported a deficit of $681,000, bringing the year-to-date position to a deficit of $807,000.
  - May included a third payroll of ≈ $870,000. If adjusted for that third payroll, May would have shown a surplus of ≈ $189,000. March was a $14,000 deficit and April a $133,000 surplus.
  - Excluding the non-operating debt payoff, the year-to-date deficit would improve to a surplus of $217,000, $94,000 better than the prior year.
  - Year-to-date salary and benefit expenses are $786,000 lower than the same period last year, even after including one-time bonuses paid in May.
  - Lakes Regional maintains a strong balance sheet with $18.2 million in cash and cash equivalents and 149 days cash on hand as of May 31.

E. P. Pewitt made a motion to accept the financial statement, seconded by Jan Brecht-Clark. Motion passed unanimously.

- **Approve the Center's Quarterly Investment Report for the 3rd Quarter FY 2026**
  - Total investment balances increased by $1.25 million during the first nine months of the fiscal year, growing from $15.2 million to $16.5 million.
  - Current earnings rates include TexPool at 3.15%, CDs up to 3.49%, American National Bank Business Investment Account at 3.30%, and Wealth Management Accounts at 2.47%.
  - The organization continues to maintain strong liquidity with readily available cash and investment resources.
  - Cash and investments continue to be managed conservatively and in compliance with the Investment and Cash Management Policy.

Steve Earley made a motion to approve the 3rd Quarter Investment Report as stated and Melanie Bass seconded. Motion carried unanimously.

06.07.26 **AUTHORITY ADMINISTRATION SERVICES REPORT** (Susan Chaffin)

- **Rights/Abuse, Neglect & Exploitation Allegations**
  - Five cases remained open in May. One Paris case was closed and determined to be unconfirmed.
  - 94% of adult SUD survey respondents in Regions 3 and 4 were satisfied or very satisfied (state average 95%).
  - NTBHA mystery call audits provided very positive feedback.
- **QM Activities for MH, NTBHA & Substance Abuse:**
  - Adult Mental Health (GR) Improvement reached 31.92% against a 32.5% target and improved nearly 3 percentage points from the prior month. Effective Crisis Response met targets in April and May at 83.33%. A first-half shortfall resulted in a $44 sanction.
  - Child and Adolescent Mental Health (GR) - All second-half measures are currently on target and performing well.
  - SUD Region 3 - Most measures are on target. Percent Abstinent at Discharge remains the primary challenge; 0.7% below target.
  - SUD Region 4 - Some measures remain below target due to staffing and documentation issues. Targeted training was completed in May to improve results.
  - NTBHA SUD Programs - Similar challenges were identified and staff received documentation training. Improvements are expected.
  - NTBHA Mental Health Programs - Adult and Child Improvement measures remain below target, while all other measures are being met. Progress continues toward year-end goals.

- Risk of sanctions is low because NTBHA overall exceeds benchmarks, with 43% Adult Improvement and 49.5% Child Improvement.

➢ **QM Activities for IDD**

- Strong CAP audit results were reported, and IDD service targets were met for May and the Quarter 3 average.

06.08.26 PLANNING AND NETWORK ADVISORY COMMITTEE (PNAC) UPDATES AND RECOMMENDATIONS (Susan Chaffin)

➢ The new PNAC member attended the most recent meeting held in June. She actively participated in meeting discussions and activities, indicating she is a strong choice for the committee. A more detailed update on her involvement will be provided in next month's report.

06.09.26 PROGRAM REPORTS

BEHAVIORAL HEALTH SERVICES REPORT (Didi Thurman)

➢ **Monthly Action Plan**

- Private psychiatric bed hospitalizations decreased from 21 to 16; the first decline in approximately five months.
- Youth served remained stable overall, with a slight seasonal decrease in North Texas as school ended and families relocated for summer.
- Franklin and Morris Counties experienced slight increases in services, largely related to crisis episodes.
- Targeted training continues for Effective Crisis Response and Improvement measures to strengthen outcomes.

➢ **Community Input**

- Lakes Regional participated in Kaufman County's youth-focused Sequential Intercept Model (SIM) Workshop and will remain involved through ongoing community workgroups.
- Lakes Regional presented at the Kaufman County Community Resource Coalition, educating approximately 40 community partners about available services.

➢ **State-Level Input**

- Hospitality House in Mount Pleasant plans to resume admissions September 1 after not accepting new residents for approximately 10–15 years. Lakes Regional is assisting with oversight and quality assurance planning.
- A state site visit to the Mount Pleasant Coffee House yielded positive feedback, and funding was extended from FY28 through FY29.
- Applications were submitted for outpatient treatment funding, a Hopkins County Mental Health Court Liaison position, and additional behavioral health initiatives.
- Rural Texas Strong Initiatives - Funding requests include renovating the Paris facility and partnering with Texas A&M to recruit and train behavioral health professionals for rural Texas.

➢ **Success Stories**

- Two success stories highlighted the positive impact of services on individuals, families, and communities.

LIDDA OVERVIEW (Clara Daniel)

➢ **Monthly Action Plan**

- The program remained compliant with all measures except the Q2 CFC Referral and Enrollment measures. A penalty was incurred for enrollment noncompliance, and a corrective action plan was implemented.
- The CFC referral process is labor-intensive, requiring extensive coordination with MCOs and management of nine spreadsheets.

- There are currently 99 individuals waiting for diagnostic assessments, creating challenges in meeting required timelines and performance measures.

➢ **Community Input**
- Staff presented at Rockwall ISD and Navarro College on responding with understanding for people with IDD-related conditions. Approximately 20 individuals attended.

➢ **Success Stories**
- Patty VanHecker and other staff coordinated rapid placement for an individual needing urgent residential services, resulting in a successful placement that met family preferences. The Board Chair recognized Patty VanHecker for her performance in this case and leadership acknowledged her dedication, commitment, and years of service.
- Two individuals served by the center qualified for and competed in swimming events at the Special Olympics USA Games in Minneapolis.

➢ **Staffing Challenges**
- Recent retirements and limited assessor availability have increased reliance on interns and contracted professionals to complete assessments.
- The center is evaluating additional hires and discussing partnership opportunities with East Texas Behavioral Health Network to address assessment backlogs.
- Many referrals, assessments, and enrollments must be completed within 90 days, creating administrative challenges when delays occur.
- Leadership continues to pursue staffing, contracting, and process improvements while maintaining a strong commitment to serving the community.

INTELLECTUAL & DEVELOPMENTAL DISABILITIES REPORT (Laurie White)

➢ **Residential Capacity and Utilization Summary**
- Residential capacity remains unchanged from the previous reporting period, with hopes for positive updates by the next board meeting.
- Recruitment efforts continue for Licensed Psychological Associates, Psychologists, BCBAs, and LPCs to provide behavioral support services. LPCs are especially valued because they can provide both counseling and behavioral support.

➢ **Community Outreach & Inclusion**
- Community outreach activities continue through Garden Clubs and the Behavior Learning Center, although some outdoor activities may change due to summer heat.

➢ **State-Level Input & Updates**
- Leadership remains optimistic about funding opportunities through the Rural Texas Strong Grant initiative.
- Program leadership continues working with HHSC and provider workgroups to obtain answers on several important program issues and policy questions.

➢ **Pathways to Success**
- Key initiatives in our success stories included preventing out-of-home placements, supporting education, promoting competitive employment, and ensuring long-term stabilization.
- Success is supported through appropriate medication management, individualized skills training, and active involvement and education of families and other support systems.

EARLY CHILDHOOD DEVELOPMENT (Angela Spradlin)

➢ **Monthly Action Plan**
- ECI entered a Corrective Action Plan after missing the reduced service-hour target in Q2. Performance improved to 102% of target in Q3 and is on track to exceed the required 90% year-end threshold.
- The number of children served increased by 2.98% from September through May, reflecting continued program growth.

➢ **Community Input**
- ECI remains active with the Hunt County Interagency group of approximately 25–30 organizations. No meeting was held in May due to the Shattered Dreams event in Greenville.
- Leadership joined the Hopkins County CRCG, which provides collaboration opportunities and educational presentations from community speakers.

- **State-Level Input**
  - All training requirements associated with the Corrective Action Plan have been completed, contributing to improved program performance.

06.10.26 INFORMATION SERVICES STATUS REPORT (Chris Cox)

➢ **IS Operations & Projects Status Report**
- Implementation of the Fortinet Endpoint Detection and Response (EDR) platform continues and is progressing well. The cloud-based solution improves threat monitoring, detection, and response. The Fortinet EDR platform can isolate compromised devices, notify IT and Fortinet teams, and protect the broader Lakes Regional network from cyber threats.
- IT continues supporting HHSC's transition to the IAMOnline Portal, including work related to TMHP and Electronic Visit Verification (EVV) systems.
- Development continues on a new Financial Portal, along with Monday.com integration to support billing and fiscal operations.
- Approximately $55,000 in ARPA funding is being allocated and tracked to ensure compliance with funding requirements.
- Security-related updates to the UKG connector were completed without user disruption, maintaining secure access to payroll and HR systems.

06.11.26 HUMAN RESOURCES REPORT (Jessica Ruiz)

➢ **Staffing issues**
- Headcount:
  - May ended with 419 active employees. Twelve positions were filled, including 8 new hires and 4 internal transfers, with 23 vacancies remaining.
- Separations:
  - Ten employees separated from employment: 8 voluntary and 2 involuntary. One involuntary separation resulted from a Corporate Compliance investigation and one from a reduction in force related to the Rockwall BCBA program closure.
  - Reasons for voluntary separations included retirement, childcare, other employment, health issues, and finishing school (employee expressed interest in returning after completing school).
- Recruitment:
  - Sponsored Indeed postings continue to produce strong results, particularly for Mount Pleasant positions and hard-to-fill licensed positions such as LVNs.
- Training and Development:
  - Regular monthly training programs continue.
  - Staff provided Youth Mental Health First Aid training to 187 Sulphur Springs ISD employees.

➢ **Compensation & Benefits**
- Thirteen (13) health claims exceeded $50,000, with 4 claims surpassing the stop-loss threshold.

06.12.26 **CEO COMMENTS** (Wayne Vaughn)

- **Strategic Planning:** A formal three-year strategic plan is being developed with input from more than 200 staff members, community stakeholders, and board members. Board participation is encouraged at the July planning session.
- **Texas Council Annual Conference:** Leadership received updates on legislative priorities, budget challenges, and future funding opportunities affecting mental health and IDD services.
  - IDD services have experienced little to no rate increases for approximately 15–20 years despite growing administrative requirements.
  - Texas faces additional fiscal pressures, including responsibilities related to SNAP funding and other state obligations that may impact future budgets.
- **County Relations and Funding Support:** Wayne continues meeting with county judges and commissioners to discuss county contributions and support for Lakes Regional services.
- **Employee Recognition Program:** Approximately 60 employee nominations were submitted during the latest quarterly recognition cycle, demonstrating strong peer recognition across the organization.
- **Compliance Reporting:** Leadership is considering moving compliance reporting from a monthly schedule to a quarterly schedule, while still reporting significant issues immediately.
- **Board Policy Review Project:** A comprehensive review of more than 50 board-owned policies is underway, including policies that have not been updated in over 20 years.
  - Options for Board review include: 1) a consent agenda, 2) reviewing policies over multiple meetings, or 3) creating a Board committee to evaluate and recommend updates.
  - Policy revisions are expected to be drafted before the next board meeting, where the board will determine the preferred review process.

CLOSURE

06.13.26 **ADJOURNMENT**

E. P. Pewitt made a motion to adjourn the meeting, seconded by Shae Green. Motion carried unanimously.

The next meeting is scheduled for Wednesday, July 22, 2026 in Sulphur Springs, Texas.

ATTEST: Margaret Webster — 7/22/2026

Margaret Webster, Board Secretary **DATE:**

Tammy Johnson — 7/22/2026

Tammy Johnson, Board Liaison/Transcriptionist **DATE:**