

**LAKES REGIONAL COMMUNITY CENTER**  
**REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**WEDNESDAY, MARCH 25, 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: 1525 Airport Rd., Rockwall, TX or via Zoom**  
**Date and Time: Wednesday, March 25, 2026, 5:00 PM**

Join Zoom Meeting:

<https://us06web.zoom.us/j/85041929075?pwd=PNmvYD06ZwTeMB1GcruqPCzGVcocQh.1>

Meeting ID: 850 4192 9075

Passcode: 853849

Join Meeting by Phone – Dial: [346-248-7799](tel:346-248-7799)

Meeting ID: 850 4192 9075

Passcode: 853849

## AGENDA

AGENDA NUMBER	TOPIC
03.01.26	<b>CALL TO ORDER</b> <ul style="list-style-type: none"><li>• Roll Call / Introduction of Guest(s)</li></ul>
03.02.26	<b>APPROVAL OF MINUTES</b> <ul style="list-style-type: none"><li>• Regular Board Meeting Minutes of February 25, 2026</li></ul>
03.03.26	<b>COMMENTS FROM CITIZENS</b> <p><i>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.</i></p>
03.04.26	<b>CLOSED EXECUTIVE SESSION (Tom Brown, Chairperson)</b> <p><b>Pursuant to Texas Government Code §551.074, the Board will convene in closed session to discuss personnel matters related to a Corporate Compliance Investigation.</b></p> <p>Section 551.074 authorizes a governmental body to deliberate in executive session about officers and employees of the governmental body. This chapter does not require a governmental body to conduct an open meeting: to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer, or employee; to hear a complaint or charge against an officer or employee who neither is the subject of the deliberation nor has requested a public hearing.</p> <p><b>Chairperson to close Executive Session and reconvene Open Session.</b></p>

**03.05.26 COMMITTEE MEETING REPORTS**

- N/A

**03.06.26 RECOMMENDATION FOR APPROVAL**

- Resolution Authorizing Change of Signers on Bank Accounts Transactions
- Resolution Authorizing Ratification of Existing Authorized Signer on Bank Accounts
- Resolution Authorizing Leasing Arrangements for Center Vehicles and Designating Authorized Representatives
- Motion to Approve the Charity Care Policy

**03.07.26 FISCAL REPORT** (*Erwin Hancock*)

- Motion to Accept Center's Financial Statement for Period(s) Ending: February 28, 2026.

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

**03.09.26 PROGRAM REPORTS**

- Mental Health Services Report (*DiDi Thurman*)
- LIDDA Overview (*Clara Daniel*)
- Intellectual & Developmental Disabilities Report (*Laurie White*)
- Early Childhood Development – *N/A*

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

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

- Staffing Issues
- Compensation and Benefits

**03.12.26 EXECUTIVE DIRECTOR REPORT** (*Wayne Vaughn*)

- Center Updates
- DPP Updates
- Texas Council-CEO Updates
- HHSC Performance Contracts/Grants and Local Initiatives
- Miscellaneous

**03.13.26 ADJOURNMENT**

**Lakes Regional Community Center  
Upcoming Board-Related Meetings & Events**

*April 22, 2026  
400 Airport Road  
Terrell, Texas*

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\*\*on 3/25/26 decision made to cancel the  
April Board Meeting

**AGENDA ITEM NO. 03.02.26**

Approval of Minutes

**RECOMMENDATIONS FOR APPROVAL:**

Motion to Approve prior Board of Trustees Meeting Minutes

**Rationale:**

Review and take action to approve the Regular Board Meeting Minutes of February 25, 2026.

LAKES REGIONAL COMMUNITY CENTER  
REGULAR MEETING OF THE BOARD OF TRUSTEES  
WEDNESDAY, FEBRUARY 25, 2026, 5PM  
BOARD MINUTES

AGENDA NUMBER	TOPIC
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**02.01.26 CALL TO ORDER**

The February 25, 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. with a quorum present either in person or by Zoom. Chairperson asked for Roll Call.

**Members Present (In Person/Zoom):**

Tom Brown, Hunt County, Chairperson	Margaret Webster, Kaufman County
Steve Earley, Lamar County	Dana Sills, Hopkins County
Lisa Heine, Ellis County (Zoom)	Jan Brecht-Clark, Ph.D., Delta County (Zoom)
E. P. Pewitt, Morris County (Zoom)	Nancy Leflett, Titus County (Zoom)
Shae Green, Rockwall County (Zoom)	Melanie Bass, Camp County (Zoom)

**Members Absent:**

Crystal Richardson, Navarro County; Sheriff Ricky Jones, Franklin County

**Vacant Seat(s):**

Veteran Board Member

**Guest(s):**

Ed Bush, IS; Nathan Hardaway, Controller; Mike Konieczny, Budget Manager;  
Roger Tovar, Whitley-Penn

**Ex Officio Members Present:** N/A

**Ex Officio Members Absent:**

Sheriff Martin, Morris County; Sheriff Bragg, Titus County

**Management Staff Present:**

Wayne Vaughn; Erwin Hancock; Didi Thurman; Susan Chaffin; Jessica Ruiz; Laurie White;  
Chris Cox; Clara Daniel; Angela Spradlin

**Management Staff Zoom:** N/A

**Management Staff Absent:** N/A

**Board Liaison/Recording Secretary:**

Tammy Johnson, Board Liaison/Recording Secretary; Martha Andrade, Fiscal Administrative Asst.

**02.02.26 APPROVAL OF MINUTES**

**Recommended Board Action:**

- Motion to approve the Regular Board of Trustees Meeting minutes of January 28, 2026.

**Rational:**

- ❖ Chairperson asked whether members had reviewed the minutes and entertained a motion to approve them. A motion to approve the minutes was made by Steve Earley and seconded by E. P. Pewitt. Chairperson then asked if there were any additions, corrections, or suggestions. Lisa Heine requested a correction indicating that she attended the meeting via Zoom rather than in person. The amendment was accepted. The motion to approve the minutes as corrected was unanimously approved. Motion carried.

**CLOSURE**

## 02.03.26 COMMENTS FROM CITIZENS

- N/A

CLOSURE

## 02.04.26 COMMITTEE MEETING REPORT

- N/A

CLOSURE

## 02.05.26 RECOMMENDATIONS FOR APPROVAL

- Motion to Approve the Audit Report for FY 2025
  - Roger Tovar of Whitley-Penn presented the FY 2025 annual audit and provided a comprehensive overview of the audit process and results. He reported that the purpose of the audit is to issue an independent opinion on the financial statements of Lakes Regional.
  - Mr. Tovar explained the audit process beginning with the planning stage through to the issuance of the audit opinion and related reports.
  - Because Lakes Regional receives substantial federal and state funds, the auditors also performed the required Single Audit. This review included compliance testing related to cash management, procurement, payroll and non-payroll expenditures, financial reporting, and eligibility for services. Work was performed at both the federal level, including the Medicaid cluster, and the state level, including General Revenue funding for Mental Health and IDD programs. Third-party confirmations were obtained for cash, investments, and other financial information.
  - Mr. Tovar reported that the audit was conducted in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS). He noted that the ECI program was not included in the FY 2025 audit due to its audit rotation schedule; the next ECI review is anticipated for FY 2028.
  - Mr. Tovar reviewed the Center's financial position as of year-end.
    - Total assets were \$34.2 million, consisting of: \$17.1 million in cash and investments, \$11.9 million in capital assets, \$1.2 million in deposits and prepaid items, and \$4 million in accounts receivable.
    - Total liabilities were \$8.5 million, including accounts payable, accrued liabilities, unearned revenue, and \$5.4 million in long-term obligations. The resulting net position was \$25.7 million, reflecting a \$1.2 million decrease from the prior year.
    - The General Fund began the year with a balance of \$21.4 million. Revenues totaled \$44.5 million, expenditures totaled \$47.7 million, and other financing sources provided \$0.7 million, resulting in a net decrease of \$2.5 million and an ending fund balance of \$18.8 million. Of this, \$17.6 million was unassigned. The fund balance represents 135 days of operating reserves, which is above the recommended range of 90 to 120 days.
  - Whitley-Penn issued an unmodified opinion, representing the highest level of assurance. No significant deficiencies, material weaknesses, or compliance findings were identified.
- ❖ Chairperson requested a motion. Dana Sills made a motion to approve the financial audit as presented and Jan Brecht-Clark seconded. The motion to approve the audit was unanimously approved. Motion carried.
- Motion to Approve the revised Bylaws of Lakes Regional MHMR Center Board of Trustees
  - The Board conducted a review of the internal bylaws, during which several updates were discussed.

- The most significant revisions involved updates to outdated references and the addition of provisions related to the newly required veteran board member position. Recent legislative changes mandate that the Board include a member who is a veteran. While this requirement may be satisfied if a veteran is appointed through one of the Commissioners Courts, no current Board members meet this criterion. Accordingly, language has been added on page 2 to allow the Board, by simple majority vote, to appoint a veteran member "at-large." This individual will serve as a full voting member rather than an ex-officio member, and all standard background checks and eligibility requirements will apply.
  - Additional revisions were made on pages 4 and 5 under "Prohibited Activities," specifically clarifying Items 7 and 8 regarding the boundaries of Board involvement. The revisions reaffirm that Board members may not participate in the management of the Center, make or influence individual employment decisions, or advocate for specific individuals receiving services. The bylaws now underscore that Board members rely on Center management and clinical professionals to determine appropriate services. These clarifications reinforce the Board's oversight role and emphasize that members may not intervene in individual cases or outcomes.
  - During discussion, Board members sought clarification on how these restrictions apply to situations in which members engage in referrals or case discussions as part of their professional roles. It was noted that such activities are permissible when performed within their professional capacities; however, Board members cannot separate their identity as Board members when interacting with the Center. The distinction lies in avoiding efforts to influence or dictate specific services, outcomes, or resource allocations for individual clients.
  - Concerns were also raised regarding members who have family members receiving services. The Board affirmed that parents and guardians do not lose their rights; however, Board members are held to a higher standard and may not use their position (directly or indirectly) to influence clinical decisions or service plans for their own family members or other individuals.
  - The Board also discussed the importance of members identifying broad operational issues or systemic deficiencies that affect services across the agency. Such feedback is welcomed and falls squarely within the Board's oversight role.
- ❖ With no further comments or recommended adjustments, a motion was made by Dana Sills to approve the bylaw revisions, including the edit to Item 8. The motion was seconded by Steve Earley and was unanimously approved. Motion carried.

## **CLOSURE**

### **02.06.26 FISCAL REPORT (Erwin Hancock)**

#### **Recommended Board Action:**

- Motion to Accept Center's Financial Statement for Period(s) Ending: January 31, 2026.

#### **Rationale:**

Discussion on the following:

- Financials for the month of January 2026 were presented.
  - Noted:
    - Page 1 reflects a \$1.25 million deficit of expenses over revenues for the month. The year-to-date deficit is \$264,000.

- Page 4 provides the detailed breakdown of revenues and expenses for January compared to the prior year, while Page 6 presents a comparative monthly analysis. A significant variance from prior months appears in the Debt Service line, showing \$1.067 million for the month of January. This variance is the result of the Board-approved action last month to pay off several outstanding debts associated with the Paris construction project, including the \$800,000 construction loan and several high-interest vehicle loans. These debts were paid using reserves to reduce future interest expense. The financials include a “what-if” column showing where operations would have landed without this one-time payoff, estimated at approximately \$250,000 negative for the month.
- Other extraordinary items affecting January included costs resulting from the ice storm, which temporarily closed operations and reduced revenue while increasing staffing expenses at residential sites. Additional extraordinary expenses included incentive payments for key employees and vacation payouts for departing staff.
- Board Member Steve Earley inquired about the status of the former Paris building currently listed for sale. The Board was informed that proposals are being considered; Laurie White has been through the building and another party has plans to tour the building. Consolidation of operations currently housed in two leased Paris facilities is being evaluated for a possible relocation to this building.
- Board Member Jan Brecht-Clark expressed concern regarding the substantial negative figures shown throughout the report. This is a result of the loan payoff previously mentioned, which will result in an approximate eight-day reduction in continuing operations, but does not reflect operational performance; instead, it reflects the approved use of reserves. Moving forward, a pro forma can be provided to offer a clearer operational picture when large one-time transactions occur. Jan recommended adding explanatory paragraphs whenever similar actions are taken.
- ❖ With no further questions, Dana Sills made a motion to approve the financial statements as presented. The motion was seconded by Steve Earley and passed unanimously. Motion carried.
- Erwin announced his resignation and upcoming retirement, effective April 1st, expressing appreciation for his eight years with Lakes Regional and his 30-year career in the field.

## **02.07.26 AUTHORITY ADMINISTRATION SERVICES (Susan Chaffin)**

### **Recommended by Board Action:**

None: Information only

### **Rationale:**

Discussion on the following:

#### ➤ **Contracts**

- The Center received Amendment No. 1 to the IDD contract. The local match requirement decreased by slightly more than \$20,000.

#### ➤ **Planning**

- The Regional PNAC met on February 9 and completed its annual training. The next Regional PNAC meeting is scheduled for May 6.

- The Local PNAC meeting was canceled due to lack of attendance. Originally planned for March, it has now been rescheduled for April 2 in Sulphur Springs.
- **Rights/Abuse, Neglect & Exploitation Allegations**
  - APS/HHSC Investigations: Four investigations remain open.
    - The Mount Pleasant case resulted in an inconclusive finding with no findings against Lakes staff.
    - Two of the four ongoing cases have investigators assigned.
    - One Mental Health Ombudsman complaint was received from the Greenville clinic, and a response has been submitted.
- **QM MH, NTBHA & Substance Abuse**
  - HHSC SUD CAP Follow-Up: Requested documentation was submitted ahead of the deadline.
  - Safety Walkthroughs: Originally scheduled for this week; postponed to March due to scheduling conflicts. Walkthroughs will be conducted with the Texas Council Risk Management Fund.
  - HHSC Audit – Hospitality House (Mount Pleasant):
    - On-site audit conducted February 9-12
    - Exit conference held February 13
    - Preliminary report indicates a clean audit with zero findings.
  - Chart Reviews: Nursing and prescriber chart reviews reflected strong performance.
  - At-Risk Performance Measures: Included in the Board packet. Additional performance reporting will be provided in future meetings, beginning with at-risk measures tied to potential recoupment risk.
  - Performance measures missed:
    - MH Adult Improvement:
      - Current performance: 24% (target 32.5%) as of January.
      - This is a cumulative, year-long measure with seven months remaining.
      - At the time of reporting, 21 of 39 centers statewide were also below target, due to algorithm set up, formula, and anticipated gradual progression across the fiscal year.
    - Hospital 7-Day Follow-Up:
      - Despite historically strong performance, showing 0% for January, due to incomplete or pending data.
      - Issue attributed to the new statewide portal for private psychiatric bed reporting, implemented January 1.
      - HHSC has acknowledged errors; corrections are expected by late February or early March.
    - Effective Crisis Response:
      - Currently listed at 100% (target 78.6%); however, this is also affected by data issues related to the new portal.
      - Actual performance is estimated in the mid-80% range, still above target.
- **IDD**
  - Currently below target.
  - QM and Clara's team met earlier today and are reviewing the underlying data to identify gaps and address performance issues.

**CLOSURE**

**02.08.26 MENTAL HEALTH SERVICES REPORT (Didi Thurman)**

**Recommended by Board Action:**

None: Information only

**Rationale:**

Discussion on the following:

➤ **Service Report**

- The Services Overview was included in the Board packet, showing program activity by county and separated by adult and child services.
- The number of children served continues to increase across service areas.

➤ **Crisis Services – General Revenue Counties**

- The Crisis Services report indicated a decrease in hotline call volume and a corresponding reduction in crisis activations and private psychiatric bed admissions.
- The average length of hospital stays also decreased from 8 to 6 days. While authorizations are typically issued for four days, extended stays (7-8 days or more than 30 days) had previously affected the average. These unusually long stays have resolved, and no current cases remain in that extended-stay category.

➤ **Mental Health Services**

- ETBHN Site Visit
  - The East Texas Behavioral Health Network is a network of eleven Community Mental Health and Developmental disability Service Centers. This network was established in 1998 as a response to challenges of these organizations in delivering care effectively and efficiently to clients. They offer several different services, ranging from direct care through telemedicine to administrative level consulting.
  - ETBHN's Executive Director Rachel Coleman and their new Pharmacy Manager met with Wayne, Didi, and Medical Director Dr. Kemp and Medical Services Program Coordinator Toni Hughes.
  - Discussions included current services, pharmacy operations, and a potential pilot project involving blister-pack medication management for individuals on medication trays. The pilot program will begin in Paris.
- Performance Contract Measures
  - The Adult Improvement Measure – we continue to be below the target for Adult Improvement. Historical data shows that Lakes has met or exceeded the end-of-year target since FY 2022. We continue to monitor this measure closely and work with staff individually during clinical supervision and in groups during peer review to ensure they are administering and scoring the ANSA or CANS assessment accurately.
  - An attachment includes all General Revenue contract performance measures for the seven eastern counties, showing at-risk measures and comparisons with the other 39 centers.
  - The John P. Delaney Paris Clinic Ribbon Cutting and Dedication was highly successful and well received, with an estimated 85 attendees. John expressed appreciation for the recognition.

➤ **Success Stories**

- A Paris client successfully obtained a driver's license after overcoming documentation barriers and secured employment with DoorDash, with plans to pursue more permanent work.
- In General Revenue counties, the Assertive Community Treatment (ACT) team reported zero hospitalizations among individuals served in January.

➤ **Community Relations/Outreach**

- In Sulphur Springs, Lakes is partnering with the Resource Network by providing meeting space for parent training events open to the public. The first event was a Children's Mental Health Services Overview in both school and community settings.
- Wayne participated in the Behavioral Health Leadership Board meeting in Kaufman County. As an agency we are making every effort to attend the County Behavioral Health Leadership meetings for all of our counties that have a BHLT.

- Board Member E. P. Pewitt asked about the sale of the Mount Pleasant hospital. Christus has officially taken over Titus Regional, which will likely change operational dynamics. Lakes will monitor for any potential impact on existing partnerships.

#### CLOSURE

#### 02.09.26 LIDDA OVERVIEW (Clara Daniel)

##### ➤ LIDDA Report

- The Center remains in compliance with all performance measures, with the exception of the January General Review (GR) services target.
  - January performance was 128 against an HHSC system target of 169, though the Center's contracted target is 149.
  - There has been some confusion regarding recent target adjustments, including crisis respite services.
  - January performance was also affected by winter weather impacts. Staff are reviewing coding and documentation processes to ensure all applicable encounters are accurately captured.
- The quarterly GR target, due at the end of February, is the primary benchmark. Adjustments underway are expected to improve performance, and no ongoing compliance issues are anticipated.
- NCQA Preparation: The look-back period begins next week. Staff have been actively updating procedures and preparing required documentation.
- Service Coordination: The Center is currently serving 1,767 individuals across Service Coordination and PASRR Habilitation Coordination programs.

#### 02.10.26 INTELLECTUAL & DEVELOPMENTAL DISABILITIES REPORT (Laurie White)

##### Recommended by Board Action:

None: Information only

##### Rationale:

Discussion on the following:

##### ➤ IDDP News

- The IDDP program continues to perform very well overall.
- Nursing Innovations:
  - Beginning March 1, the program will expand its nursing initiatives to streamline documentation and ensure all required paperwork is consistently completed.
  - Two case nurses will serve the 12-county region, with responsibilities divided geographically.
  - This approach is expected to yield cost savings and increase revenue, and staff have expressed enthusiasm about the new structure.
- The program continues to see low supported employment referrals. Staff have accepted some referrals from Texas Workforce Solutions (TWS) to diversify funding streams.

##### ➤ IDDP Operations, Community Services, and Outpatient Biopsychosocial Intervention (OBI) Program Census & Enrollment

- Available in the IDDP Director's Report

##### ➤ Statewide Engagement & FY26 Benchmarks

- The IDDP Director and OBI Lead recently participated in several statewide expansion meetings with the five other OBI sites. Meetings are led by HHSC and attended by Texas Council.

- Laurie emphasized the program’s whole-person approach, noting that OBI allows for integrated services without the barriers of siloed programs, an aspect that makes the program uniquely effective.

➤ **IDDP Spotlight**

- A success story was highlighted emphasizing the importance of early intervention in achieving positive outcomes for individuals with IDD.
- The model focuses on three key pillars:
  - Strong Clinical Team: Ensuring each OBI participant has access to specialized clinicians, such as BCBA or LPC professionals experienced in IDD.
  - Life Skills Training & Family Education: Core components of the OBI model to support both individual progress and caregiver understanding.
  - Appropriate Medication Management: Guided by clinical science and individualized treatment needs.
- When these three elements are aligned, the program consistently achieves exceptional outcomes.

**CLOSURE**

**02.11.26 ECI (Angela Spradlin)**

➤ **Early Childhood Development Report**

- Angela provided an overview of the Early Childhood Intervention (ECI) program and introduced herself, noting she has worked in ECI since 2000 and joined Lakes Regional in 2003.
  - ECI serves children from birth through 36 months across eight of the twelve counties in the Lakes service area.
  - The program has expanded over time; it began in Hunt County, added three counties in 2018, and four additional counties in 2023.
- Referrals may be made by anyone, and the program maintains no waitlist.
  - ECI has 45 days from the time of referral to complete an interdisciplinary evaluation (e.g., physical therapy, social work) and develop the Individualized Family Service Plan (IFSP).
- Angela noted the distinction between ECI and private therapy:
  - ECI is home-based, focusing on coaching families to support their child’s development during daily routines.
  - Private therapy follows a clinic-based model.
- ECI manages transitions when families move across counties and supports transitions related to CPS involvement and reunification efforts. When a child turns 36 months, ECI also assists with transition into the school system. Due to evaluation timelines (60 school days for assessment and 30 school days for IEP development), children may face a significant delay before starting school-based services.
- First quarter referrals: 491, including 21 CPS referrals.
- Census varies by county, with Hunt County servicing the largest number (274 children). Camp County currently has 17 children enrolled.
- Angela emphasized the importance of parent advocacy, noting that ECI’s goal is to equip families with the skills needed to support their child’s ongoing developmental progress.
- Wayne shared his experience visiting an ECI home session and expressed a deepened appreciation for the program. He noted that many LMHAs in Texas do not operate ECI programs and affirmed Lakes Regional’s pride in

supporting this work. Wayne commended staff for their skill, compassion, and impact on children and families, noting that early developmental delays present unique challenges for young parents and that the services provided are critically important.

#### **02.12.26 INFORMATION SERVICES (Chris Cox)**

**Recommended Board Action:**

None: Information Only

**Rationale:**

Discussion on the following:

➤ **IS Operations & Projects Status Report**

- Departmental reports were included in the packet, summarizing activities and accomplishments presented monthly to the Executive Director/CEO.
- Chris shared that in December the Center completed a KYND cybersecurity assessment through the Texas Council Risk Management Fund. Lakes Regional received an “all clear” rating, with all indicators in the green and zero findings for both the department and the agency.
- The IT department is coordinating with the Risk Management Fund to schedule a tabletop cybersecurity exercise, planned for April.
- Page 7: A video-technology project funded through PASRR is now implemented. This allows for virtual reality (VR) environmental scans of prospective residential or ISS settings. Individuals transitioning from nursing facilities into the community can preview their home environment through VR to help reduce anxiety associated with the move.
- Page 8: Despite receiving a fully compliant KYND report, IT continues to strengthen security.
  - The number of domain administrators has been reduced to four, all required to authenticate through multi-factor authentication (Duo) before accessing systems.
  - This ensures that, even if a user account is compromised, elevated access is still protected.
  - The department plans to enhance the password policy, increasing the required length from 8 to 10 characters with special characters.
- Wayne noted that during discussions with the Risk Management Fund, many LMHAs statewide received yellow or red indicators on the KYND report, making Lakes’ all-green rating particularly noteworthy.
- Page 9: The Cyber Incident Response Plan has been updated; however, an offline test has not yet been conducted. IT is exploring options for a backup generator or alternative power solution for the Terrell hub, which supports the Center’s phone and internet systems. This would allow operations to continue during weather-related outages.
- The application development team continues to work on database queries to support reporting needs across departments. A summary of current development work is included in the spreadsheet at the back of the report.
- Additional updates will be provided following completion of the upcoming tabletop exercise.

#### **02.13.26 HUMAN RESOURCES REPORT (Jessica Ruiz)**

**Recommended by Board Action:**

None: Information only

**Rationale:**

Discussion on the following:

➤ **Staffing issues**

- **Headcount/Separations:**
  - During the reporting period, nine positions were filled (six new hires and three internal transfers); however, there were also six voluntary separations.
  - Separation reasons included higher-paying opportunities, family considerations, and retirements, which continue to trend upward.
- **Recruitment:**
  - Recruitment efforts continue using the standard advertising platforms currently in place.
  - The recruiter is increasing in-person job fair participation, including attending a UT Dallas event to expand outreach in the Terrell and Greenville areas.
- **Training & Development:**
  - Regular training and development courses for both new hires and current staff were conducted as scheduled.
  - State funding for Mental Health First Aid (MHFA) training has been fully utilized due to high demand, including training significant numbers of school personnel.
  - Additional funding may be requested from other centers or federal sources to continue classes through the remainder of the fiscal year.

➤ **Compensation and Benefits:**

- The Center is currently managing five large medical claims, with two exceeding stop-loss thresholds.
- Benefits renewal meetings with the broker are scheduled for next week to begin evaluating options and projected costs for the upcoming fiscal year.

**CLOSURE**

**02.14.26 EXECUTIVE DIRECTOR REPORT (Wayne Vaughn)**

**Recommended Board Action:**

None: Information Only

**Rationale:**

Discussion on the following:

➤ **Center Updates**

- The agenda was adjusted to allow program directors to present first, with remaining updates provided afterward.
- Wayne acknowledged Erwin's previously announced retirement and expressed appreciation for his contributions, particularly during Wayne's first seven months at Lakes Regional. Wayne noted that Erwin's leadership has been instrumental in maintaining the Center's strong financial position and stated that Erwin will be greatly missed both personally and professionally.

➤ **DPP Updates**

- The Charity Care Pool, historically funded at approximately \$500 million, has seen increased participation from additional public health organizations and growing mental health centers, resulting in reduced funding availability.
- Lakes anticipates receiving approximately \$500,000 less than expected.
- Because operations remain ahead of budget (excluding the approved debt payoff), the Center is positioned to absorb the reduction.
- Cost-mitigation strategies are underway, including consolidation of rental properties and other efficiencies.

➤ **Texas Council Update/Legislative Update**

- Lakes is not currently under audit. Seven centers remain under review, and

approximately half of the state's centers are either completed or in process.

- When audited, only the Center's seven General Revenue counties will be included.
- NTBHA will undergo its own audit, with Lakes participating solely as a contractor.
- Lakes received 194 Texas Home Living (TxHmL) waiver slots and expects five HCS slots. TxHmL utilization is historically low due to limited benefits compared to HCS. Enrollment timelines are closely monitored, requiring significant staff effort.

➤ **HHSC Performance Contracts / Grants and Local Initiatives**

- An amendment to the ECI contract was signed. The amendment includes new language regarding artificial intelligence, restricting its use without explicit HHSC approval; consistent with recent updates across multiple HHSC contract amendments.

➤ **Miscellaneous**

- Wayne met with Senator Bryan Hughes in Tyler, who represents all of the Center's General Revenue counties. The meeting was positive, and the Senator showed strong interest in Lakes' work.
- A meeting with Judge Cooper in Titus County is scheduled for next week; the first such meeting during Wayne's tenure.
- Wayne also toured The Center in Kaufman County (a shelter and major nonprofit) following a Behavioral Health Leadership meeting. The Executive Director provided a tour, and Wayne noted the importance of building collaborative relationships within the county.
- New statewide requirements mandate ADA-compliant websites by April 24. Expected updates include closed captioning on all videos and adjustments to color palettes for accessibility. Lakes' current website is not yet compliant. The contracted web vendor is conducting a full accessibility audit and remediation will follow. There will be associated costs, which will be determined after the audit is completed.

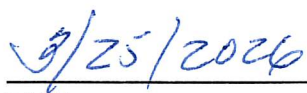
**CLOSURE**

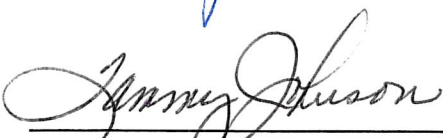
**02.15.26 ADJOURNMENT**

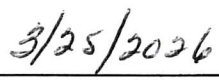
- ❖ The Chairperson asked whether there were any additional questions for the Board's consideration. Board Member Jan Brecht-Clark appreciated the increased level of detail. The Chairperson thanked Jan for her feedback and noted that the improved visibility is a result of the Center's new organizational structure, which brings forward reports from multiple program areas that were previously less visible to the Board.
- ❖ With no further discussion, the Chairperson requested a motion to adjourn. Steve Earley moved to adjourn, and E. P. Pewitt seconded the motion. The motion passed unanimously. Meeting adjourned.

**ATTEST:**

  
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Margaret Webster, Board Secretary

  
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DATE:

  
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Tammy Johnson, Board Liaison/Transcriptionist

  
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DATE: