

Montezuma County Hospital District Regular Board Meeting
EMS Training Room
April 12, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Julie Leonard, SHS CFO	Recorded by:
Bill Thompson, Vice-Chairperson	Sean Killooy, SHS Board Scty/Treasurer	Bridgett Jabour, Secretary for MCHD Board
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	
Gala Pock, Board Member	David Faulkner, SHS Interim CEO	Excused/Absent:
Orly Lucero, Board Member	Shirley Jones, SHS Board Chairperson	Bryson McCabe, MCHD Attorney
Fred DeWitt, Board Member		Kelly McCabe, MCHD Attorney
Bryson McCabe, MCHD Attorney		Heidi Trainor, MCHD CPA

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Changes to Agenda	There were no changes or additions to the agenda.		
Public Comment/Introductions	There was not any public comment.		
Consent Agenda March 8, 2023 Board Meeting Minutes Payment of Bills		It was moved and seconded to approve the consent agenda as presented MOTION: Gala Pock SECOND: Orly Lucero Motion carried.	
REPORTS and ACTION ITEMS			
SHS Board Report – David Faulkner, CEO	SHS Interim CEO David Faulkner updated the MCHD Board as follows: COVID continues to be an issue; we continue to have 10+ staff per week testing positive. We continue to follow CDC recommendations. Masks are required on campus. Recruiting has been successful for the Emergency Department. Dr. Farr begins covering Emergency Room shifts the last week of April. A contract for a second permanent employed physician for the Emergency Department, Dr. Cain, will be presented to the SHS Board for approval at the April Board meeting. This will fill all open positions for providers in the emergency department alleviating the large expense that Locums physicians. Recruiting continues for the Mancos clinic as well as an additional OB/Gyn		

<p>Finance Report – Julie Leonard, CFO</p>	<p>to assist with full-time call coverage needed for labor and delivery.</p> <p>Significant snow has uncovered leaks in the new Medical Office Building as well as minor leaks in various locations in the facility. Plant Operations has been working with the engineers and contractors that completed construction to fix the leaks, mostly coming from windows that were improperly installed. Medical Staff Services Director Deb Herman has taken a position in Oregon. SHS Senior Executive Assistant Leah Allen will be taking over Medical Staff Services duties in addition to her current duties, moving a few responsibilities to others in Administration. Bridgett Jabour is taking over support of the MCHD Board.</p> <p>The MCHD Board had concerns regarding community experiences in the Emergency Department as well as rumors regarding the financial health of the organization. Mr. Faulkner advised that the permanent positions being filled in the Emergency Department stabilizes scheduling and improves clinical care. Mr. Faulkner requested that specific concerns should be directed to his office for review. SHS’s work to improve cash on hand for bond covenants has sparked rumors from staff. Leadership continues to have public discussion with staff giving details on options and ways to improve the financial position of the organization. Mr. Faulkner and Ms. Leonard will continue to be communicating with providers and staff regarding the finances to keep them apprised of the situation and their role in improving financials. SHS Scty Treas Sean Killoy and CHC VP Joe Thomason discussed with the MCHD Board the challenges in reimbursement from different payors, as well as the classification of Managed Medicare patients as it relates to cost report reimbursement.</p> <p>Mr. Faulkner advised that SHS CFO Julie Leonard had accepted another position and would be leaving the organization in mid-May.</p> <p>SHS CFO Julie Leonard advised that she was offered a position she could not pass up, but she’s confident the operational and strategic plans underway will improve the financial situation and cash position of SHS after her departure. Ms. Leonard reviewed the enclosed Dashboard. SHS finished February with 28 DCOH. Daily cash burn is \$209k, while collections average \$198k per day.</p>		
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	<p>March has improved cash collections, anticipating a positive EBIDA for March.</p> <p>MCHD Attorney Keenen Lovett advised that his office, as well as Brooks Law and Conrad Freeman with Vectra Bank continue conversations regarding lowering the days cash on hand bond covenant as well as a reamortization of the remaining 2016 Revenue Bonds financed through Vectra Bank and other local community bank syndicates. Mr. Lovett will discuss the details with the Board during the Executive Session portion of the meeting.</p>		
March Financial Report – Robert Dobry, Scty/Treasurer	<p>Mr. Dobry reported on sales tax revenue totaling \$140,830.03 for the month of February. Investments that have come due were reinvested in a higher yield CD at 5.25% for \$162,000 (rounded).</p>	<p>Mr. Dobry presented the invoice for \$5,907.50 from Klein Alvarado and Veio for bond counsel services provided to the MCHD Board. It was moved and seconded to approve the invoice as presented.</p> <p>MOTION: Robert Dobry SECOND: Gala Pock Motion carried.</p>	
Foundation Report	<p>MCHD Board representative to the SWMH Foundation Board Gala Pock reported that the Foundation will be hosting a fundraiser at Fenceline Cider in Mancos, CO on Saturday, April 15th from 2-9PM.</p> <p>Donations over \$250 qualify for the Enterprise Zone state tax break.</p>	<p>All Board members are invited to attend and asked to share with friends and family</p>	
Facility Report	<p>MCHD Director Orly Lucero reported that work continued to complete the punch list of items on the completion of the storage building. A man door was replaced. There was discussion regarding what items will be put in the new storage building, including the emergency morgue for the County as well as biohazard storage, both currently in the old storage building that is needing to be torn down when emptied. Irrigation for landscaping will be provided by shares purchased by MCHD; new irrigation pipes will be leak tested prior to use in the coming weeks. Pricing for the Infrastructure priorities list will be presented at next month’s board meeting.</p> <p>Mr. Johnson advised that MCHD needed a board representative for the ditch organization. Mr. Lovett advised that no formal action is required, he would just attend on behalf of the Board.</p> <p>Mr. Dobry advised he will not be releasing the retainage to Circle K until the final confirmation that final leaks and issues are resolved.</p>	<p>Board consensus was to appoint Orly Lucero as MCHD representative to Club 21 Irrigation body on behalf of Board for decisions related MCHD Board interests.</p>	

	<p>SHS Plant Operations Director Rob Owens reported that Colorado Energy Office completed an assessment of the Medical Office Building (MOB). The results were that it was extremely inefficient, identifying that the commissioning completed on the building during construction was done improperly and has resulted in the MOB being the 5th worst energy performance in the state of Colorado. While legal counsel is being asked to review, due to the amount of time that has passed since the completion of the building, it is unlikely that the additional expense for utilities as well as expense to have the building recommissioned, could be put on the original commissioning agent utilized during construction.</p> <p>Mazzetti, Inc. will be completing this work for SHS. It is anticipated that the energy savings will be realized within 2 years, once efficiencies are identified and Trane controls are recalibrated.</p>		
<p>Attorney Report</p>	<p>Mr. Lovett reviewed the upcoming term limits for directors Bill Thompson, Gala Pock and Fred DeWitt. He advised that those directors were not able to self-appoint, however, they could be appointed by the Board. In addition, due to the fact this leaves 3 active board members at next month's meeting, statute allows for one term-limited board member to remain to meet the 4 board-member quorum requirement. Additionally, Mr. Lovett received a letter from a community member concerned about the practices of the previous election cycles in which board members self-nominated when they reached their initial term limit. This is not within the Colorado Constitution requirements. Additionally, once appointed to the board, they remained for a full 2 or 4-year term, but should have only been until the next election the following year. Mr. Lovett reached out to DORA and they advised that this variance be acknowledged and the Board was to follow the statutes going forward.</p>		
<p>Executive Session</p>		<p>It was moved and seconded to adjourn the meeting into Executive Session pursuant to §24-6-402(4)(b) C.R.S., "conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to the master lease revisions and financial obligations at 7:07 pm MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.</p>	

Adjournment	.	<p>Executive Session was entered at 7:14pm, and exited at 7:45 pm. No decisions were made.</p> <p>A motion was made to adjourn regular session at 7:45 pm. MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.</p>	
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Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
April 20, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Kent Lindsay, Montezuma County Commissioner	
Bill Thompson, Vice-Chairperson		
Robert Dobry, Secretary/Treasurer		
Gala Pock, Board Member		Excused/Absent:
Orly Lucero, Board Member		Bryson McCabe, MCHD Attorney
Fred DeWitt, Board Member		Keenen Lovett, MCHD Attorney
Kelly McCabe, MCHD Attorney		Heidi Trainor, MCHD CPA

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the special meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Changes to Agenda	There were no changes or additions to the agenda.		
Address Board Member Vacancy	<p>MCHD Attorney Kelly McCabe reviewed procedural requirements around filling open seats, issues with previous years' appointing Board members to full terms, instead of just until the next election year and reappointed or up for vote. There are currently 4 of the 7 board seats that are up, however, only 2 interested parties for the 4 open seats, so no election is scheduled.</p> <p>The identified issue has been reported to DOLA and the Montezuma County Commissioners.</p> <p>As such, should Fred, Gala, and Bill wish to continue serving on the board, they must provide a letter to McCabe's office of their interest to remain on the MCHD Board past their current term. In addition, because this leaves only three members on the Board as of the May Annual Board meeting, one of those coming off the Board may remain to ensure a quorum for Board business.</p> <p>Mr. Dobry stated he recommended Mr. Thompson be the 4th to make a quorum as he's delegated as a signer of checks for the District.</p>		

	<p>At that point, the board may take action to appoint those candidates who've submitted letters of interest.</p> <p>The Board discussed advertising the open positions.</p>	<p>Mr. McCabe was directed by the board to prepare and advertise the open positions with general summary of duties.</p>	
Public Comment	<p>Montezuma County Commissioner Kent Lindsay advised that the Commissioners support the MCHD Board in their mission and understand that mistakes can be made in procedures. He thanked the members for serving the District.</p>		
Executive Session		<p>Rob Dobry stated, "I move that we enter executive session as permitted under §24-6-402(4)(b) C.R.S., 'conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions' to receive advice from our attorneys regarding the Master Lease terms and Re-amortization of 2016 Bonds. This was seconded by Brandon Johnson. Motion carried.</p>	
Adjournment	.	<p>Executive Session was entered at 6:14pm, and exited at 6:50 pm. No decisions were made.</p> <p>A motion was made to adjourn regular session at 6:51 pm. MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.</p>	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District ** Southwest Health System, Inc.
JOINT Special Board Meeting**

May 3, 2023

MCHD Board:

SHS Board:

Others Present:

Rob Dobry, Secretary/Treasurer	Shirley Jones, Chairperson	David Faulkner, CEO – Interim
Brandon Johnson, Chairperson	Susan Hodgdon, Vice-Chairperson	Julie Leonard, CFO
Bill Thompson, Vice-Chairperson	Sean Killooy, Scty/Treas	Bridgett Jabour, Secretary for MCHD Board
Gala Pock, Board Member	Dan Valverde, Board Member	John Brooks, SHS Attorney
		Aaron Brooks, SHS Attorney
Excused		Keenan Lovett, MCHD Attorney
Fred DeWitt, Board Member		
Orly Lucero, Board Member		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Board Chair Brandon Johnson called the meeting was called to order for MCHD at 6:00pm SHS Chair Shirley Jones called the meeting to order for the SHS Board at 6:01pm.		
Roll Call	Roll was called for the MCHD Board.		
Changes / Additions to Agenda			
Public Comment/Introductions	There was not any public comment.		
Business Plan Presentation / Review and Discussion of Plans and Re-amortization Recommendations	SHS Chief Financial Officer Julie Leonard reviewed a presentation showing a lookback of days cash from pre-COVID through today. The challenges of COVID increased daily cash burn, and during that time, no revenue streams were increased to counter the cash burn. The daily overage of cash spent over revenue received is approximately \$8,000 per day, just to break even. SHS is first looking to reduce the spending to address this issue. Ms. Leonard advised that SHS will be in forbearance as of the 3 rd quarter of 2023, estimated to be at 57 days if continued as we have been. To curb this loss of cash, the SHS has approved to recommended money-saving changes within the facility. <ol style="list-style-type: none"> 1. SHS is moving SMG Park Street to the Medical Office Building. 2. SHS has terminated the service agreement for interventional spine services provided by Drs. McLaughlin and Silva at SHS. 		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>3. These two changes are estimated to save approximately \$3600 per day, but have a lead time, so the savings won't be realized for several months.</p> <p>Additional options and recommendations are being reviewed by the SHS Board and leadership. Due to appropriate confidentiality, the options cannot be shared.</p> <p>The intent and goal is to ensure long-term improvement of cash position for the preservation of the health system in the community.</p> <p>As a second component of this discussion, the current work to complete re-amortization of the 2016 bonds can assist with getting our cash back up, while also requesting the bank syndicate to potentially lower the required days cash on hand.</p> <p>Mr. Lovett and Mr. Brooks have been actively discussing with Conrad Freeman, SVP for Vectra Bank, Colorado, our syndicate bank lead, who will review with the other banks for any changes.</p> <p>The two boards are recommended to meet with Mr. Freeman in the coming weeks to share the details of the deficiency of days' cash as required by the Continuing Covenant Agreement.</p> <p>There were additional discussions among the two boards on the required lease changes to address the covenant changes necessary going forward with the removal of the sales tax sunset approved by voters in May of 2022. The changes to the covenant agreement and lease will all be addressed with the re-amortization and potential lowering of days cash requirement.</p> <p>With these lease changes, additional discussion on the structure of continued collaboration in the continued improvements of the facility of those items identified by the Facility Committee, who are developing a Facility Improvement Summary and associated expenses for each. These are being prepared by George Augustini with Mazzeti, Inc., who has provided MEP expertise over the previous 7 years with SSR, an MEP engineering firm. The</p>	<p>As soon as additional options are decided and properly shared with those that could be affected, SHS will immediately advise the MCHD Board.</p> <p>Mr. Brooks and Mr. Lovett will reach out to Mr. Freeman regarding his availability to come down for joint discussions in the coming week, specific discussions were had regarding next week the 8th of May.</p> <p>After discussion among the two boards, MCHD and SHS boards agreed to have representation from both Boards in the Facilities Committee, following a specified approval process and</p>	<p>The two board attorneys will communicate options to the two Boards as soon as availability of Mr. Freeman is determined.</p> <p>Mr. Brooks and Mr. Lovett/McCabe</p>

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>Facility Improvement summary, previously called the “SSR Report”, is the same list of items reviewed and completed as the years have progressed.</p>	<p>oversight by Zions Bankcorp as trustee (as they were on the original construction of 2016 Bonds). The prioritization and funding of these will be collaborative process of both boards with recommendations and input from Mazzetti, Inc. Mechanical, Electrical and Plumbing consulting services, potentially including advising on priority and risk factors of each project, including how different projects could be combined for efficiency and savings.</p> <p>MCHD and SHS Board attorneys will work together to develop lease language to address the agreed-upon requirements and processes that will be proposed to Mr. Freeman and bank syndicate as it relates to the Continued Covenant Agreement and Re-amortization of the 2016 Bonds.</p>	<p>Mr. Brooks and Mr. Lovett/McCabe</p>
MCHD Board member	<p>No discussion was had regarding this agenda item. No longer necessary.</p>		
Adjournment		<p>It was moved and seconded to adjourn the MCHD Board meeting at 6:438pm. Motion: Robert Dobry Second: Gala Pock Motion carried.</p> <p>It was moved and seconded for the SHS Board to adjourn into Executive Session at 6:39pm. Motion carried.</p>	
		<p>Remaining SHS Board action will be reported on the next page.</p>	

Bridgett Jabour, Secretary

Rob Dobry, Secretary/Treasurer

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Montezuma County Hospital District Regular Board Meeting
EMS Training Room
May 10, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Julie Leonard, SHS CFO	Recorded by:
Bill Thompson, 4 th person for Quorum*	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Robert Dobry, Secretary/Treasurer	David Faulkner, SHS Interim CEO	
Orly Lucero, Board Member	Shirley Jones, SHS Board Chairperson	Excused/Absent:
	Gala Pock, previous Board Member	Bryson McCabe, MCHD Attorney
	Sean Flaherty, Board member candidate	Keenen Lovett, MCHD Attorney
Kelly McCabe, MCHD Attorney	Judy McLain, CHC VP Finance (via phone)	Heidi Trainor, MCHD CPA
	George Augustini, Mazzetti Engineers	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board. Board of Directors is short one person to have a quorum.		
Board Member Appointment / Quorum Discussion	MCHD Attorney Kelly McCabe reviewed the status of previous board members Bill Thompson and Gala Pock. In spite of advertisement, the MCHD Board has not had interest to trigger an election. As had been previously explained, the MCHD Board has only 3 voting members as of the start of the meeting. After direction from DOLA, Mr. McCabe recommended that for purposes of ensuring continuity of business, that either Bill Thompson or Gala Pock act as board members for completion of business for this board meeting. This is with the intent that the June meeting, those previously serving Board members who would be interested in continuing to serve could be entertained to be appointed until the next election in May 2024. Additionally, at the June meeting, Mr. Flaherty or other interested board members could be considered for appointment as well at June meeting.	It was moved and seconded to retain Bill Thompson* as 4th person for quorum for this MCHD Board meeting to complete necessary business for the good of the District. Motion: Robert Dobry Second: Orly Lucero Motion carried.	
Changes to Agenda	There were no changes to the agenda.		
Public Comment/Introductions	There was not any public comment, however, Sean Flaherty was introduced to all in attendance. Mr. Flaherty is a member of the public who has submitted a letter of interest to join the MCHD Board.		

Consent Agenda	<p>April 14, 2023 Regular Meeting Minutes April 20, 2023 Special Meeting Minutes May 3, 2023 Joint MCHD/SHS Meeting Minutes Payment of Bills Added to the packet as a handout by Mr. Dobry is a receipt paid by Bill Thompson for annual dues into Cortez 21 Pipeline where MCHD owns water shares utilized for irrigation of hospital property for \$7.47</p>	<p>It was moved and seconded to approve the consent agenda with addition of reimbursement to Bill Thompson for \$7.47 for dues for Cortez 21 Pipeline. MOTION: Robert Dobry SECOND: Orly Lucero Motion carried.</p>	
REPORTS and ACTION ITEMS			
<p>SHS Board Report Shirley Jones, Chairperson</p> <p>Operations Report – David Faulkner CEO- Interim</p> <p>Finance Report – Julie Leonard, CFO</p>	<p>SHS Board Chairperson Shirley Jones advised that the Board is reviewing in-depth reports and recommendations to align service lines to ensure that operating expenses are lowered to slow loss of days cash and reverse as soon as possible. In addition, SHS has CEO interviews underway for a permanent replacement. Once the CEO has been identified, a CFO will be hired. In the meantime, CHC will have an interim CFO on site who was involved in the ops assessment from 2018 so has some experience with the facility. Additionally, SHS has an interim Practice Administrator starting on Monday while a new Practice Administrator is identified.</p> <p>SHS Interim CEO David Faulkner provided a written report in the enclosure. In addition, Mr. Faulkner thanked both boards for their collaboration in the joint meeting on May 3rd. COVID restrictions have been relaxed, but masks remain recommended. This will continue unless the situation merits a change back to more strict protocols. With the COVID emergency ending at the federal level on May 11th, SHS is working with those people whose insurance coverage changes with the ending of the emergency. Inpatient Services has been full for the last month. Things remain busy in this department.</p> <p>SHS CFO Julie Leonard reviewed the March Financials with the MCHD Board. Highlights below:</p> <ul style="list-style-type: none"> - AP paid down \$1M from February to March which lowered days cash on hand, as discussed in detail in joint meeting the previous week. - Gross Patient Revenue below budget for March, partially due to spring break and some physicians being out. 		

	<ul style="list-style-type: none"> - Ms. Leonard reviewed the payors that owe large amounts of money to SHS affecting contractuels/Accounts Receivable. Humana owes \$1M and HIS owes \$1.5M. - Medicare Advantage is the largest contractual and while it appears to be a Medicare product; it is actually a private insurance. SHS is considering pulling out of Medicare Advantage agreements due to the challenges of reimbursement from these payors. If this is decided, SHS will communicate this to the community many months in advance. - Ms. Leonard reviewed the operational report showing the ratios as required by the lease agreement. 		
March Financial Report – Robert Dobry, Scty/Treasurer	<p>Mr. Dobry reported on sales tax revenue totaling \$158,164.55 for the month of March.</p> <p>Mr. Dobry also reviewed the enclosed domain name options for Montezuma County Hospital District.</p> <p>Mr. Dobry also reported that formal procedures for agenda and board packet development that will be outlined and finalized at the June board meeting. The proposed timeline is to have all packet items to Ms. Jabour by noon on the Thursday before the meeting, with the packet emailed to the board by end of day that Thursday. In addition, posting locations and information posted will be finalized. Please send any ideas or concerns on the proposed procedure to Rob for review by the Executive Committee before the June meeting.</p>	<p>After discussion, it was moved and seconded to approve Bridgett Jabour to purchase 5-year domain name of mchospitaldistrict.org through GoDaddy, to be reimbursed at next meeting.</p> <p>MOTION: Rob Dobry SECOND: Orly Lucero Motion carried.</p>	Ms. Jabour
Foundation Report	NO meeting this month.		
Facility Report	<p>Mr. Johnson reviewed the handout report regarding the Cortez 21 Pipeline meeting. In addition, the pipeline for irrigation to water landscaping at hospital is compete. Final pressure testing has also been completed and keys have been provided to Plant Operations in a locked location for any changes to inlet valve.</p> <p>The Facilities Committee met to go through the SSR list. The Rooftops for the main hospital, the 2003 addition as well as the walk-in clinic have been prioritized as the #1 project. It was noted that the proposed project would include roof</p>	<p>Mr. Dobry requested that he be informed when all processes are complete so he can close out the DOLA grant.</p> <p>Mr. Dobry will look into these options with the information from Mr. Augustini as well as DOLA grant opportunities.</p>	<p>Mr. Johnson / Orly Lucero / Rob Owens</p> <p>Mr. Dobry / Mr. Augustini</p>

	<p>takedown to the deck, reinsulating at a higher level and recovering with a light-colored membrane material meeting all current code requirements. George Augustini with Mazzetti reviewed this information in detail with the Board. In addition, he noted that there could be grant funding should the work meet certain energy efficiency incentives currently being recommended by the state of Colorado as well as federal funding for micrograde system.</p> <p>SHS Plant Operations Director Rob Dobry advised that SHS had to perform an emergency repair to the lower section of the west end of the main building where Information Services is housed. There was a collapsed sewer line beneath the floor that required cleanup, abandoning the old pipe, saw-cutting through the concrete to put in new piping. The work is just about complete. This emergency fix was just over \$12,000. Mr. Owens requested MCHD consider reimbursement for this expense.</p>	<p>Mr. Owens was asked to prepare the expenses and forward to Ms. Jabour to compile for MCHD review and potential presentation at the June board meeting.</p>	<p>Mr. Owens</p>
Attorney Report	Nothing further to report in regular session.		
Executive Session		<p>It was moved and seconded to adjourn the meeting into Executive Session pursuant to §24-6-402(4)(b) C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to the master lease revisions and financial obligations at 7:03 pm MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.</p>	
Adjournment	The MCHD board provided direction to Attorney Kelly McCabe to proceed with master lease amendment and re-amortization in accordance with the prepared draft.	<p>Executive Session was entered at 7:03 pm, and exited at 7:24 pm. No decisions were made.</p> <p>The Board adjourned the meeting at 7:27 pm.</p>	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
June 14, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Shelle Diehm, SHS Interim CFO	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Orly Lucero, Board Member	David Faulkner, SHS Interim CEO	
Gala Pock, Board Member (once reappointed)	Lisa Gates, SHS CNO	Excused/Absent:
Sean Flaherty, Board Member (once appointed)	Joe Thomason, SVP Operations of CHC	Bryson McCabe, MCHD Attorney
	20+ members of the public, including SHS employees, and current and retired physicians	Keenen Lovett, MCHD Attorney
Also Present:		Heidi Trainor, MCHD CPA
Kelly McCabe, MCHD Attorney		Bill Thompson, Board Member once reappointed
		Shirley Jones, SHS Board Chairperson

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:01 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Secty/Treas for MCHD Board, showing a quorum was not reached.		
Changes to Agenda	Mr. Dobry requested a change in order of agenda, moving Board Member appointment above public comment so that a quorum was able to preside over the remaining meeting.	The Board confirmed the agenda change.	
Board Member Appointment(s)	MCHD Attorney Kelly McCabe advised that there were three interested applicants for 4 open seats on the MCHD Board. These applicants are Gala Pock, Bill Thompson and Sean Flaherty. This appointment will be until the next election in May of 2024.	It was moved and seconded to appoint Sean Flaherty Bill Thompson Gala Pock to the Board of Directors by Rob Dobry. Seconded by Orly Lucero. Motion carried, none opposed.	
Public Comment/Introductions	20+ members of the public, including retired physicians Robert Heyl, MD; Karla Demby, MD; Brian Demby, MD; and Doug Bagge, MD who provided a letter to MCHD board, added as Handout 3 was read aloud by Dr. Heyl. This letter expressed concerns related to health system operations, healthcare standards, recruiting challenges and concern for the loss of family birthing putting families in danger having to travel to Durango as well as concern for the future success of the community. MCHD		

	<p>must set the standard. No outside company like CHC should be doing that.</p> <p>Additionally, 10 other community members as well as response from MCHD Board members and CHC, summarized as follows:</p> <ul style="list-style-type: none"> • Concern about the health impacts to the community women and children with this pause. Huge risk to maternal and infant morbidity and mortality. This will put the risk management burden on less qualified Emergency Room, EMS and emergency management programs. • Those in attendance offered their assistance in collaboration development of ways to solve the problem. The public implored MCHD to take a stronger role and influence in healthcare operations, noting many opinions were that SHS leadership and CHC leadership are not satisfactory. Since their arrival in 2018, problems that were promised to be solved have not been solved. Providers continue to leave, including 5 primary care providers leaving within the last 12 months. Current physicians working OB and Pediatrics would consider leaving if they were not able to continue with deliveries. Because these are married couples to other specialists, those specialists would leave the area as well, putting the hospital in a difficult situation. • SHS Pediatrician Moriah Tarpey and OB/Gyn Physician Jessica Kaplan expressed frustration that they were not involved in any discussion or meeting to help problem-solve or collaborate to deal with these challenges. They found out the same day everyone else did and were just told it was closing. This is not any way to deal with a problem. It was noted by Dr. Kent Aikin that, “the only time CHC is willing to share in a dialog is when there is a crisis.” • Community comment generally expressed frustration that they had approved the two tax initiatives, one to build the new patient wing and last year’s removal of the sunset on the sales tax revenue. The public pays taxes to make sure these things don’t happen and comprehensive care for all in the community is available. • CHC SVP Joe Thomason (management company for Southwest Health System, Inc.) apologized for the 		
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	<p>execution of the pause in these services. He stated that the communication, preparation and process in which this was done was poor and understands why the community is upset. Mr. Thomason advised that the hospital is not in danger of closing. Many small hospitals are having to make hard decisions related to deliveries as this service requires significant resources to be done safely and correctly. In rural areas where recruitment and availability of highly-skilled professionals is minimal, a hospital like SHS is forced to pay exorbitant rates to get physicians from other areas to fly in and fill the schedule to ensure 24/7/365 coverage of OB services.</p> <ul style="list-style-type: none"> • Mr. Thomason stated that in addition to the closing, SHS completed a reduction in force today resulting in the loss of 9 positions at SHS. In order to avoid these hard decisions, we need to find a less expensive way to provide care. The salaries, wages and benefits have become an overwhelming burden for rural facilities all over the country. • MCHD Attorney Kelly McCabe thanked the public for coming and sharing their concerns. MCHD is very interested in hearing what the public has to say. SHS Board of Directors has struggled for years to have enough members to have a quorum. The MCHD/SHS lease is 25 years old. MCHD's role is the management of the physical plant, while SHS's is the operation of the health services, however, Mr. McCabe feels that MCHD can help and control the ultimate results. MCHD works hard to represent the community. The MCHD board thanked the public for coming and participating and sharing their concerns. Any community is only as strong as its institutions. Mr. Dobry encouraged those attending to get involved and consider joining a board; community support and involvement is necessary for success. MCHD knows the community wishes to have healthcare; their affirming vote on tax initiatives has proven that. 		
<p>Consent Agenda</p>	<p>May 10, 2023 MCHD Regular Meeting Minutes Payment of Bills</p>	<p>It was moved and seconded to approve the consent agenda as presented. MOTION: Rob Dobry SECOND: Orly Lucero Motion carried.</p>	

REPORTS and ACTION ITEMS			
<p>Operations Report – David Faulkner CEO- Interim</p>	<p>SHS Interim CEO David Faulkner reviewed the enclosed report, including:</p> <ul style="list-style-type: none"> • Recruitment is underway for provider positions with the upcoming retirement of Dr. Pyle and openings for Internal Medicine. • SHS will continue to work with Dr. Stanwix, who was filling in at the Mancos Clinic with the departure of Dr. Barry. Dr. Eversole has expressed interest in moving to the Mancos Clinic to build his practice and lead the team there. • Mr. Gene Miller, Interim Practice Administrator arrived on May 15th to replace Will Jansen. • Ms. Shelle Diehm, Interim CFO arrived on May 22nd with the departure of Julie Leonard. • Once the new permanent CEO has arrived, the positions above will be advertised. • Mr. Faulkner advised that 9 administrative positions were a part of a reduction in force completed today. These were not clinical positions and there are no more reductions planned at this time. • Since the submission of this report, SHS has announced the “pause” of the Family Birthing Center services beginning on July 1, 2023. The Press Release on this topic came out June 7th. <p>MCHD Attorney Kelly McCabe expressed frustration that no SHS Board member was in attendance tonight, as well as lack of communication in general. MCHD wishes to assist SHS with debt burden by reamortizing the debt with the removal of the sunset on the sales tax approved by votes last year. This removal, in collaboration with the bank syndicate funding the 2016 Revenue Bonds, as currently drafted, will alleviate some cash requirements, and release funds currently reserved under the current debt terms that would assist SHS in meeting its debt requirements and might have avoided the current situation requiring closure.</p>	<p>Since the announcement, SHS has scheduled a public forum to allow the public to speak to the board. This is scheduled for tomorrow, June 15th in the EMS Bay at 6pm. Mr. Johnson expressed concern that he had not been informed of this meeting ahead of time.</p> <p>Mr. Faulkner confirmed with Mr. McCabe that an agreement had been reached and the language and it is being drafted with terms all parties have affirmed their acceptance of.</p>	

<p>Finance Report – Shelle Diehm CFO Interim</p>	<p>Interim CFO Shelle Diehm was introduced to the MCHD Board. She is an CHC VP who is providing interim CFO services until a permanent CFO has been identified and recruited.</p> <ul style="list-style-type: none"> • April was a challenging month, as SHS tries to maintain Days Cash on Hand. Cash collections were \$6.03M • EBIDA for April was -\$415,112, \$933k under budget. • YTD EBIDA is -\$546. By just breaking even, SHS does not have cash to pay down debt. This is why SHS is making operational changes, such as Family Birthing Center pause of operations, to save these expenses. • Operational costs of contract labor have significantly increased expenses. SHS is trying to recruit so they don't have to use contracted physicians and nurses. • While SHS expects to receive more cash in May and June, there are 3 payrolls in June totaling \$1.1M per payroll approximately. 	<p>Mr. Flaherty requested that graphs be included in the report for at-a-glance trend assessment of the Operational Analysis (pg 33).</p>	<p>SHS – Ms. Diehm</p>
<p>March Financial Report – Robert Dobry, Scty/Treasurer</p>	<p>Mr. Dobry reported on sales tax revenue is down around 25% of the marijuana sales tax, due to no longer having surrounding state residents coming to Colorado as their states have now approved marijuana sales. The compiled sales tax total for this month (all 3 forms) is \$168,567.28 for the month of April.</p> <p>Mr. Dobry presented an amended Supplemental Budget for 2022 (Handout 2) for board consideration. This adjustment is due to the additional work in the Phase II project, the water project and the storage facility.</p> <p>Mr. Dobry reviewed the Hartford Invoice from Handout 2 for the annual Fidelity insurance for MCHD totaling \$279 for the year.</p>	<p>It was moved and seconded to approve the Supplemental 2022 Budget as amended and presented (Handout 2). MOTION: Gala Pock SECOND: Orly Lucero Motion carried.</p> <p>It was moved and seconded to pay the Hartford Invoice as presented. MOTION: Orly Lucero SECOND: Gala Pock Motion carried.</p>	
<p>Facility Report</p>	<p>Mr. Johnson advised that Montezuma Valley Irrigation is holding a special meeting on June 27th at 7pm. As MCHD owns 5 shares, it was recommended at a representative attend and vote on behalf of MCHD.</p> <p>IT Sewer Renovation request and invoices from SHS were reviewed by the MCHD Board. It was decided by MCHD not to reimburse for this request. MCHD's focus is reamortization. No action was taken on this item.</p>	<p>It was moved and seconded to appoint Orly Lucero as MCHD representative to vote on behalf of MCHD board at the meeting scheduled for June 27th. MOTION: Rob Dobry SECOND: Gala Pock Motion carried.</p>	

	Handout 1 was reviewed by the Board. This is the proposed Infrastructure Scoping prepared by Mazzetti and outlines the description of 10 projects, followed by a preliminary estimate from Nunn construction for each of the projects on the last page of the handout. These items will be reviewed by the Facilities Committee		
Foundation Report	NO meeting this month.		
Attorney Report	Nothing further to report in regular session.		
Executive Session		It was moved and seconded to adjourn the meeting into Executive Session pursuant to §24-6-402(4)(b) C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to the master lease revisions and financial obligations at 7:20 pm MOTION: Robert Dobry SECOND: Bill Thompson Motion carried.	
Adjournment		Executive Session was entered at 7:20 pm, and exited at 7:50 pm. No decisions were made. The Board adjourned the meeting at 7:50pm.	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

Montezuma County Hospital District Regular Board Meeting
EMS Training Room
July 12, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Shelle Diehm, SHS Interim CFO	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Orly Lucero, Board Member	Gene Miller, SHS Interim CEO	
Gala Pock, Board Member	Mary Dodd, Community Member	Excused/Absent:
Sean Flaherty, Board Member	Bob Ower, potential MCHD Board candidate	Bryson McCabe, MCHD Attorney
Bill Thompson, Vice-Chairperson		Heidi Trainor, MCHD CPA
Also Present:		Sean Killoy, SHS Scty/Treas
Keenen Lovett, MCHD Attorney		Kelly McCabe, MCHD Attorney
		Lisa Gates, SHS CNO

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Changes to Agenda	There was discussion about the need for an executive session to be added to the agenda after the attorney report.	It was moved and seconded to add an Executive Session motion to be added to the agenda after the Attorney Report. MOTION: Robert Dobry SECOND: Bill Thompson Motion carried, no opposition.	
Public Comment	Community Member Mary Dodd thanked the MCHD Board for their dedication to the community through their service on the MCHD Board. She encouraged the board to continue to remain engaged. It was confirmed that the MCHD and SHS Board of Directors are meeting with the Montezuma County Commissioners Monday July 17 th at 1:30pm at 109 W Main Street at the commissioner meeting room. Ms. Dodd advised that her and other community members are working on developing a list of those in the community interested in volunteering for the SHS, MCHD and Southwest Memorial Hospital Foundation Board. There is a group of community members that are motivated to ensure we do not lose this community hospital.	Ms. Jabour will post this meeting as required.	Ms. Jabour
Oath of Office and Conflicts Statement	MCHD Attorney Keenen Lovett gave each new board member their oath of offices.	Mr. Lovett assisted the board members Gala Pock, Bill Thompson and Sean	

Appointment of Officers	Appointment of Officers	Flaherty in affirming their oaths, as required by law. It was moved and seconded to appoint the following officers of the Board. Brandon Johnson as Chairperson Bill Thompson as Vice-Chairperson Robert Dobry as Secretary/Treasurer. MOTION: Orly Lucero SECOND: Sean Flaherty Motion carried. No opposition.	
Consent Agenda	June 14, 2023 MCHD Regular Meeting Minutes Payment of Bills A spelling correction was noted for the draft minutes.	It was moved and seconded to approve the consent agenda, with the correction to the minutes as described. MOTION: Rob Dobry SECOND: Orly Lucero Motion carried.	
<u>REPORTS and ACTION ITEMS</u>			
	SHS Interim CEO Gene Miller provided a verbal report described below: <ul style="list-style-type: none"> • Mr. Miller took over as Interim CEO on June 22nd with the quick departure of David Faulkner. Mr. Miller is providing both the CEO and Practice Administrator role for SHS. In addition, it was noted that Mr. Miller’s contract is direct with SHS, he is not contracted under CHC (Community Hospital Consulting). • A recruitment task force is being formed, pulling in providers and bringing in a multidimensional model, utilizing relationships with medical schools and universities. The providers are meeting with Mr. Miller Friday and they’re hoping to get this program underway as soon as possible. The specialties currently being recruited include internal medicine, hospitalist, APP for the emergency room and a Family Practice with OB. • Operational reviews in areas of billing and charge capture are being overseen by Shelle Diehm, Interim CFO. Additionally, personnel issues will take time to resolve. SHS is bringing in an outside agency to do exit interviews with staff that are no longer with SHS to see what trends and issues contributed. • In spite of the announcement of the termination of the Pain Management contract in April, SHS Administration has been in discussions with these 		

<p>Finance Report – Shelle Diehm CFO Interim</p>	<p>physicians to restructure an agreement that is fiscally responsible. SHS is hopeful an agreement will be reached in the coming weeks.</p> <ul style="list-style-type: none"> • With recent provider resignations, a wait list for patients is being worked to get these patients in with other providers within the system. As a reminder, Dr. Richard and Dr. Henderson have both tendered their resignations. Dr. Pyle is retiring in September. • Dr. Eversole is moving his practice from the Medical Office Building to SMG Mancos on July 10th. The Mancos clinic is right-sized at this point. Dr. Eversole is splitting his schedule at Mancos, seeing 50% of his existing patients in a week and 50% Mancos patients, ensuring both groups receive prompt care. • With the move of Dr. Eversole, he is no longer providing pediatric call, which puts pressure on the remaining pediatric providers. Other options to fill this gap is being considered. Dr. Jeff Tarpey, Hospitalist, is completing education that, when completed, will allow him to cover pediatric call as well. • Heidi Larrick, who was most recently the Emergency Department director has completed Nurse Practitioner boards and will begin her practice within SMG clinics once a contract has been negotiated. <p>Interim CFO Shelle Diehm was introduced to the MCHD Board. She is an CHC VP who is providing interim CFO services until a permanent CFO has been identified and recruited.</p> <ul style="list-style-type: none"> • Ms. Diehm reviewed the educating the Board on the enclosed financial reports and operating performances, highlighting specific trends that indicate the health of specific departments and explaining different data points that the board should look for to understand the financial situation now and going forward. In addition, • May was a much better month than the first four months of the year. May’s operating margin is \$518,000, year to date is (\$1.154M). EBIDA for May is \$1.1M, year to date EBIDA is \$2.14M. • Ms. Diehm explained Debt Service Coverage and how that is affected by cash and other nuances to the financial report. 	<p>Mr. Dobry expressed disappointment and concern that no representative from the SHS Board has attended the last 2 board meetings in a row.</p> <p>The MCHD Board thanked Ms. Diehm for the detailed report. The board was impressed with the information and education provided.</p> <p>Ms. Diehm will look into the status of those patients who were on a Humana plan when SHS terminated the agreement in January of 2023.</p>	<p>SHS – Ms. Diehm</p>
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	<ul style="list-style-type: none"> It was noted that telemedicine visits in the RHC are paid at the full rate. Telemedicine is approved through 2023, but it is unknown if Medicare will continue to allow after this year. 		
March Financial Report – Robert Dobry, Scty/Treasurer	<p>Mr. Dobry reviewed the financial report. Marijuana sales tax is down from the previous year about 50%, but with the increased general sales tax revenue, the total amount for the 2016 Revenue bonds remains stable. This month’s received sales tax totals \$188,554.77.</p> <p>Mr. Dobry presented an amended budget resolution for 2023 correcting the anticipated capital expenditures for the year.</p> <p>Mr. Dobry reviewed the Hartford Invoice from Handout 2 for the annual Fidelity insurance for MCHD totaling \$279 for the year.</p>	<p>It was moved and seconded to approve the resolution for the 2023 Budget as presented (Enclosure 3). MOTION: Robert Dobry SECOND: Gala Pock Motion carried.</p>	
Facility Report	<p>Nothing to report from the Facility Committee.</p> <p>SHS Plant Operations Director Robert Owens advised that August 1st the team is meeting to look at additional bids for the roofing repair to compare against the preliminary Nunn bid received with the Mazzetti report.</p>		
Foundation Report	<p>The board met in June, but there is nothing new to report at this time.</p>		
Review of Board Posting / Agenda Items and Directions to Secretary	<p>Mr. Lovett reviewed the requirements for posting and the board discussed the options, including adding the MCHD website as a location for posting agendas, per the SDA guidelines.</p> <p>Minutes once approved will also be posted on the webpage. Additionally, open board positions will be posted on the webpage.</p>	<p>It was moved and seconded to identify the posting locations for board meetings and board activities as follows:</p> <ol style="list-style-type: none"> 1) County Building entrance at 140 W Main Street 2) Main hospital entrance at 1311 N Mildred Road 3) Virtually at MCHD website page: https://www.swhealth.org/about-us/boards/montezuma-county-hospital-district/ <p>MOTION: Robert Dobry SECOND: Sean Flaherty Motion carried. None opposed.</p>	
Attorney Report	<p>Nothing further to report in regular session.</p>		
Executive Session		<p>It was moved and seconded to adjourn the meeting into Executive Session</p>	

		<p>pursuant to §24-6-402(4)(b) C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to the master lease revisions and financial obligations at 7:15 pm MOTION: Robert Dobry SECOND: Bill Thompson Motion carried. Executive Session was entered at 7:20 pm, and exited at 7:47 pm. No decisions were made.</p>	
Return to Regular Session		<p>The MCHD Board directed legal counsel to draft a letter from MCHD to SHS regarding board transparency and community accountability.</p>	
Adjournment		<p>The Board adjourned the meeting at 7:53pm. MOTION: Robert Dobry SECOND: Gala Pock Motion carried.</p>	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

Montezuma County Hospital District Special Board Meeting

July 17, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Shirley Jones, SHS Chair	Kim Percell, County Clerk
Bill Thompson, Vice Chairperson	Dan Valverde, SHS Director	
Rob Dobry, Secretary/Treasurer	Jim Candelaria, Montez Cty Commissioner	Excused/Absent:
Bill Thompson, Board Member	Kent Lindsay, Montez Cty Commissioner	Kelly McCabe, MCHD Attorney
Gala Pock, Board Member	Gerald Koppenhafer, Montez Cty Commissioner	Bryson McCabe, MCHD Attorney
Sean Flaherty, Board Member	Ian MacLaren, County Attorney	
Orly Lucero, Board Member	Travis Anderson, County Administrator	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Board meeting was opened at 1:45pm		
Roll Call	Roll was called for the Board.		
Work Session to discuss current situation of healthcare in Montezuma County	<p>Montezuma County Commission Chair Jim Candelaria requested updated information from SHS Chairperson Shirley Jones regarding the recent press releases and operational changes affecting Labor and Delivery temporary pause and the subsequent decision not to pause services. It is the wish of the County to support the broadest level of services possible for the community.</p> <p>Ms. Jones explained the financial and operational challenges for Family Birthing services including the need for contracted, outside physicians (Locums) which are extremely expensive. In addition, there are challenges to Pediatric call, which is required for Family Birthing coverage for the newborn. Both require a physician be “on call” at rates that can cost the health system upwards of \$5,000 per day. After the public forum, in which, the community expressed concern regarding the closure of these services, the SHS Board changed their decision and did not pause services. Though the services are not paused, Ms. Jones advised that unless the current operational model can be changed with recruitment of permanent physicians to cover call and other adjustments, it will remain financially unfeasible to keep the department open. Many other critical access hospitals, of which SHS is classified, do not provide this care because of the large financial burden and lower volume than possible to be profitable.</p>		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>SHS is looking at other avenues to cut costs to keep this service open in spite of the net operating loss of the department. Ms. Jones reviewed the cash requirements under the 2016 Revenue Bonds utilized to build the new patient wing, medical office building and EMS/Plant Operations. SHS is required to maintain 80 days cash on hand. SHS is currently under 70 days cash.</p> <p>Montezuma County Attorney Ian MacLaren advised that he believed the 2016 Revenue Bond documents require SHS to provide more than the income statement and balance sheets to the Commissioners, and additionally, this financial information must be provided monthly. He feels the detail provided is insufficient.</p> <p>MCHD Secretary Treasurer Rob Dobry advised that MCHD wishes to support and assist in their complimentary mission as the Special Tax District providing, in partnership with SHS focusing on healthcare facilities. MCHD would like to find ways to strengthen and build the SHS Board. Mr. Dobry recommended that SHS consider the following recommendations:</p> <ol style="list-style-type: none"> 1) If there are challenges with services currently offered, of which, SHS is considering terminating, MCHD requests advanced notice as they may be able to find a way to assist with these services. 2) Mr. Dobry suggested quicker response of interested board candidates so they are communicated with timely, especially since additional board members would benefit the SHS board. 3) The group discussed the SHS board composition and bylaws, of which Ms. Jones stated that other governmental entities could not be on other governmental boards while on SHS board because it would be a conflict of interest. 4) Recommendation that SHS board members attend and join community stakeholder meetings to provide updates and current challenges as well as positive information to those groups. This could be to get additional community support for SHS. <p>Ms. Jones was invited to join the MCHD Board for a special meeting on Wednesday, July 19th at 6pm, in which they're discussing lease amendments and finalizing amortization schedule.</p>	<p>The Commissioners requested introduction to Mr. Theine upon arrival as permanent SHS CEO in late July.</p> <p>Ms. Jones stated this could be considered, however, 30 days may not be possible.</p> <p>Ms. Jones will confirm the reasoning with SHS legal counsel.</p> <p>Ms. Jones will advise if she's able to attend.</p>	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>Ms. Pock provided financial challenges due to some third-party payors denying claims after giving preauthorization for services. These total in the millions and cause significant financial burden to the hospital. These burdens contribute to the challenges that force decisions such as family birthing services.</p> <p>In addition, Mr. Dobry recommended that the group message to our community be to encourage the community to utilize all ancillary services offered by SHS. These services offer more lucrative reimbursement to the hospital than emergency services. By our community supporting SHS in receiving ancillary services, they are ensuring SHS has the finances to continue to provide net loss services such as family birthing.</p>	<p>This recommendation was affirmed by all three boards in attendance.</p>	
Next Multi-Board Discussion		<p>It was agreed by MCHD, SHS and County Commissioners that they would meet again for continued discussions amongst the three entities on Monday, September 19, 2023 at 6pm in the Commissioner meeting room at 109 W Main Street (same location).</p>	
Adjournment		<p>It was moved and seconded to adjourn at 2:49pm. Motion carried.</p>	

Bridgett Jabour, Secretary

Rob Dobry, MCHD Board Secretary/Treasurer

Montezuma County Hospital District Special Board Meeting

July 19, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Shirley Jones, SHS Chairperson	
Bill Thompson, Vice Chairperson		
Robert Dobry, Scty/Treasurer		Excused/Absent:
Gala Pock, Director		
Sean Flaherty, Director		
Orly Lucero, Director		
Keenen Lovett, MCHD Attorney		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Board meeting was opened at 6:00pm		
Roll Call	Roll was called for the Board.		
Changes / Additions to Agenda	None.		
Public Comment/Introductions	There was not any public comment.		
Bond Re-Amortization and lease with SHS	<p>SHS Chair Shirley Jones addressed SHS transparency and board recruitment progress. Nine people have expressed interest in joining the SHS board, but only two submitted applications so far.</p> <p>Discussion of the reamortization terms, facilities improvement priorities list prepared by engineer George Augustini and hospital roof as the first project from the facilities fund to be funded by reamortization.</p>	<p>SHS will put minutes and financial indicators on the website and this information will be live on the SHS website soon.</p> <p>Motion to approve “Reamortization - First Amendment to the Project Funding Agreement” between MCHD and SHS and authorized MCHD Chair and Secretary/Treasurer to sign upon verification of SHS completion. MOTION: Sean Flaherty SECOND: Gala Pock Motion passed, none opposed.</p> <p>Motion to approve the “Amended and Restated Hospital Operating Lease Agreement” and authorize MCHD Chair and Secretary/Treasurer to sign upon verification of SHS completion.</p>	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
		MOTION: Sean Flaherty SECOND: Orly Lucero. Motion carried, none opposed.	
Executive session for attorney council on re-amortization and new lease with SHS	Entered executive session at 7:03pm.	It was moved and seconded to adjourn the meeting into Executive Session pursuant to §24-6-402(4)(b) C.R.S., “conferences with an attorney for the district for the purpose of receiving legal advice on specific legal questions specific to SHS Lease negotiations. Motion carried.	
Adjournment		It was moved and seconded to adjourn at 7:20pm. MOTION: Orly Lucero SECOND: Sean Flaherty Motion carried.	

Bridgett Jabour, Secretary

Rob Dobry, Secretary/Treasurer

Montezuma County Hospital District Regular Board Meeting
EMS Training Room
August 9, 2023

Present:	Also Present:	Also Present:
Brandon Johnson, Chairperson	Shelle Diehm, SHS Interim CFO	John and Aaron Brooks, SHS Attorneys
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Karla & Brian Demby, retired physicians
Gala Pock, Director	Lisa Gates, SHS CNO	Public: Jamie Haukeness and Karen Sheek
Sean Flaherty, Director	Joe Theine, SHS CEO	Recorded by:
Bill Thompson, Vice-Chairperson	Shirley Jones, SHS Board Chair	Bridgett Jabour, Secretary for MCHD Board
Bob Ower, Director (once appointed by Board)	Sean Killooy, SHS Board Scy/Treas	Excused/Absent:
	Susan Hodgdon, SHS Vice-Chair	Orly Lucero, Director
Also Present:	Dan Valverde, SHS Board Director	Heidi Trainor, CPA
Kelly McCabe, MCHD Attorney	Public: Mary Dodd, Jim Law, Chuck McAfee	Bryson McCabe, MCHD Attorney
		Keenen Lovett, MCHD Attorney

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scy/Treas for MCHD Board.		
Changes to Agenda	There was discussion and recommendation to add at the beginning of the meeting the agenda item "Vote to Fill Board Vacancy".	It was moved and seconded to add agenda item as recommended. MOTION: Robert Dobry SECOND: Bill Thompson Motion carried	
Vote to Fill Vacancy	Mr. Bob Ower and Mr. Jamie Haukeness, who have both expressed interest in the open board seat introduced themselves and explained their interest in joining the board and experience they feel would be beneficial to the board.	Mr. Johnson directed the board, once each candidate had spoken, to put their voted candidate on a piece of paper to be counted. Kelly McCabe counted the votes and advised that Mr. Ower received the most votes. Mr. Ower was appointed to the board though the vote.	
Public Comment	There was no public comment.		
Consent Agenda	July 12, 2023 MCHD Regular Meeting Minutes July 17, 2023 MCHD Special Meeting Minutes July 19, 2023 Special Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. MOTION: Gala Pock SECOND: Robert Dobry Motion carried.	
REPORTS and ACTION ITEMS			

SHS Board Report CEO Report CFO Report	<p>SHS Board Chair Shirley Jones introduced CEO Joe Theine to the Board and those in attendance.</p> <p>SHS CEO Joe Theine thanked everyone for being so welcoming; he has been meeting with staff, providers and community members. His impression from all is that everyone is very interested and cares deeply for the services we provide and the success of the health system in our community.</p> <ul style="list-style-type: none">• Provider Leadership Council has been brought in to assist with physician recruitment, with some ideas already on how to improve recruitment and inclusion of existing providers to assist with process.• He has a meeting scheduled with Sen. Hickenlooper's office in Durango tomorrow as well as first MEC meeting this week.• The three items necessary for healthcare are: 1) a facility; 2) people to provide care 3) supplies/equipment. We all play a role in a firm foundation for delivery of care and the mission of SHS. <p>SHS Interim CFO Shelle Diehm reviewed the June financials enclosed.</p> <ul style="list-style-type: none">• EBIDA YTD is \$2.43M, for June is \$1.176M, just above break-even.• Days cash on hand is 70 days, in addition, AR decreased.• The merging of Rocky Mountain Health Plans with United has delayed claims processing, many of these claims are now coming in much later than normal.• Debt service ratio is 2.19• Now that reamortization language has been agreed-upon, it is expected that the new reamortization schedule and bond documents updated to be effective September 1, 2023. This will increase days cash 8-10 days when reserve funds are added to days cash.• When the question of administrative positions added to SHS was asked, Ms. Diehm advised that the reduction in force in June removed the additional positions that had been created. Ms. Diehm commented that SHS is unique in that services such as EMS Staff, ER Physicians and Billing is done in-house. There are many positives to having these in-house.		
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	<p>There were questions regarding challenges in recruitment and asking what the community can do. Mr. Theine stated that community involvement is integral to improved success. They're looking for homes to hold pot lucks for physician recruitment. Drs. Brian Karla Demby offered their home for this.</p>		
<p>March Financial Report – Robert Dobry, Scty/Treasurer</p>	<p>Mr. Dobry reviewed the financial report. Strong sales tax month totaling \$213,847.35. This is right on pace with the prior year.</p> <p>Mr. Dobry reviewed the letter from the state of Colorado, in which they account for funds retained from sales tax revenues over the prior year to cover the cost of administering the sales tax on the District's behalf.</p> <p>Mr. Dobry reviewed the finalized 2022 Draft audit. It was adjusted for additional works done in which net position/cash was decreased by \$1.12M for these facility upgrades.</p>	<p>It was moved and seconded to approve the 2022 Audit as presented. MOTION: Robert Dobry SECOND: Gala Pock Motion carried.</p>	
<p>Foundation Report</p>	<p>Ms. Pock advised that no meeting or action had occurred with the Foundation board; they have a meeting later this week.</p>		
<p>Facility Report</p>	<p>Mr. Johnson requested board members (including SHS Board) review the outline of the infrastructure upgrades report prepared by Mazzetti. These items have already been reviewed by the Facility Committee.</p> <p>SHS Plant Operations Director Rob Owens reviewed the list of items (enclosed) that are needing imminent repair. These are broken out between mechanical, architectural, plumbing and electrical.</p> <p>SHS Board Scty/Treas Sean Killoy complimented the work of the plant operations department to continue to maintain the facility with the challenges of antiquated systems that require significant maintenance.</p> <p>There was discussion around avoiding shut down of services, order of work completed, and ways to get the most out of each upgrade as well as the potential to combine items to maximize the spend if you have to open up a system to compete certain work.</p> <p>The ten-most critical items have been identified by the Facilities Committee. The estimate from Nunn Construction for the 10</p>	<p>Conclusions from discussion include the following:</p> <ul style="list-style-type: none"> • Grant funding for energy performance through Colorado is most likely available, George Augustini from Mezzetti will forward this information to Facilities. • Grant opportunities may be collaboration between MCHD & SHS Boards. A grant writer could be of benefit. • Facilities Committee members are Orly Lucero, Sean Killoy and Brandon Johnson. Both boards had no opposition to this being the full committee representation of both boards. 	<p>Mr. Augustini</p>

	<p>items totals \$5 million. There could be matching DOLA grant funding for some of these items.</p> <p>The reamortization through the 2016 Revenue bonds will free up funds to work through this list of items, under the new language which both boards have preliminarily agreed to. Final legal language is being reviewed by all in bank syndicate for approval. There was discussion regarding the reamortization improving SHS Days Cash on Hand once signed, anticipating the effective date to be September 1, 2023.</p> <p>All were reminded that the joint meeting with Commissioners is scheduled for 6pm in Commissioner Meeting Room on September 18, 2023.</p> <p>It was noted that all work done with SHS as owner requires bids and procurement process through SHS following internal policies. RFP advertisement for roof project has resulted in 2 responses so far.</p>	<ul style="list-style-type: none"> The bank syndicate meeting at Kiva Room on Tuesday, August 15th at 10am, will include discussions between banks in 2016 Revenue bonds, both MCHD and SHS Board(s), attorneys for both boards and SHS CEO and CFO. 	<p>Ms. Jabour will post bank meeting and commissioner meeting as MCHD Special Meeting.</p>
Attorney Report	Nothing further to report in regular session.		
Adjournment		<p>The Board adjourned the meeting at 7:44pm. MOTION: Robert Dobry SECOND: Sean Killoy Motion carried.</p>	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District Special Board Meeting
Bank Syndicate Meeting - Kiva Room
August 15, 2023 10:00am**

Present:	Also Present:	Bankers:	Bankers:
Brandon Johnson, Chairperson	Shirley Jones, SHS Chairperson	Conrad Freeman, Vectra Bank	Mark Wright, Zions Bankcorp
Robert Dobry, Scty/Treasurer	Susan Hodgdon, SHS Vice-Chair	Patrick Colleran, Vectra Bank	John Pike, Vectra Bank
Gala Pock, Director	Dan Valverde, SHS Director	Paul Deshayes, Vectra Bank	Administrative
Sean Flaherty, Director	Sean Killoy, SHS Scty/Treas	Cassie Alexander, FNB Cortez	Bridgett Jabour, MCHD Secretary
Bob Ower, Director	John and Aaron Brooks, SHS Outside Counsel	Jim Muller, FNB Cortez	Leah Wright, SHS Sr. Exec Assistant
Kelly McCabe, MCHD Attorney	Joe Theine, SHS CEO	Larry Engles, Dolores State Bank	
Excused/Absent:	Shelle Diehm, SHS Interim CFO	Doug Aikin, Dolores State Bank	
Orly Lucero, Director	Joe Thomason, SVP Community Hosp Cons.	Paul Broderick, First Southwest Bank	
Bill Thompson, Vice-Chair		Steve Randels, Four Corners Community Bank	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Board meeting was called to order at 10:05am.		
Roll Call	Roll was called for the Board.		
Introductions	<p>All in attendance were introduced prior to discussion. As identified above, this includes representation from each bank included in the 2016 Revenue Bonds, MCHD Board members and counsel, SHS Board members and counsel and SHS CEO and Interim CFO.</p> <p>Mr. Conrad Freeman proposed the main items to be accomplished with the discussion are generally expected to be as follows:</p> <ol style="list-style-type: none"> 1) Meet new SHS CEO Joe Theine 2) Review and answer any questions regarding the pending restructure and reamortization. 3) Introduce all to Pat Colleran, who will be replacing Conrad as he retires. 4) Review the challenges around SHS's revenue cycle, discuss the deficiencies of SHS's days' cash on hand as it relates to the continuing covenant agreement and what specifically SHS has been doing and is doing to right these deficiencies. 		
Meet New SHS CEO Joe Theine	A detailed introduction was provided by Joe Theine, recently-hired permanent CEO of Southwest Health System, Inc. Mr. Theine gave a brief summary of his background, including being a long-term resident of Southwest Colorado, steadily building his experience, education and successes in healthcare joining SHS most recently from Animas Surgical Hospital.		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Review and answer any questions regarding the pending restructure and reamortization	None, just general discussion on the reamortization resulting in days' cash on hand increasing with release of debt reserve fund to be counted towards days' cash. It is expected that this will result in around 8-10 days' cash.		
Introduction of Pat Colleran	Pat Colleran with Vectra Bank, Colorado, will replace Conrad Freeman as main point of contact for lender/bank collaborative and SHS ensuring all continuing covenant agreement terms and requirements continue to be documented and terms met. Mr. Colleran is looking forward to working with all.	Mr. Freeman will ensure all in attendance have contact information.	Mr. Freeman
Review the challenges of SHS deficiencies of SHS's days' cash on hand as well as revenue cycle challenges.	<p>CHC SVP Joe Thomason provided overview of the financial challenges experienced by SHS over the prior few years.</p> <ul style="list-style-type: none"> • Half of the rural hospitals in the US are losing money. • Since COVID-19, hospital salaries, wages and benefits (SWB) have increased 30%. This is due to supply chain and use of interim staff that are much more expensive than permanent providers. • In addition to the added expenses, SHS is struggling with recruiting permanent providers to replace those who have resigned, further exacerbating the use of interim (locums/travelers) staff. • Generally, SHS is working on different strategies to find ways to deliver care less expensively, especially with regards to labor and delivery expenses. These strategies include a hybrid approach to recruitment. A task force has been created to help welcome physicians and providers more effectively. Compensation models of current providers is being reviewed for competitive comparison. SHS has already lowered the daily rate for interim call coverage OB/GYN by \$2,000 per day. • Additionally, staff are floating between departments as this avoids less use of traveling/interim nursing staff. • SHS has completed a small reduction in force of 9 administrative staff, no reduction in clinical care staff. • Labor costs will remain high for at least 6-12 months as the initiatives being implemented will take some time to begin to remove the interim staff currently necessary as permanent staff are finishing school and being recruited and hired. • SHS is working on strategies to increase labor and delivery utilization at SHS. There were 54 deliveries at Mercy Regional that were in SHS' primary service area. <p>SHS Interim CFO Shelle Diehm advised that from a revenue cycle standpoint, there are some opportunities to potentially capture more reimbursement from</p>	All parties agreed that patient care, staff involvement and community attitudes and engagement is critical to the ongoing efforts to improve financial health and the hospital's ability to serve the community.	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
	<p>our commercial payors, but as of yet, has no hard estimates. Medicare PPO’s have been extremely difficult to work with to get payment for patients with this insurance coverage. Because these companies are considered commercial, Medicare patients with this insurance do not fall under the umbrella of Medicare from a cost report standpoint. This misrepresents our Medicare population statistics and skews Medicare cost reimbursement (cost report) as a critical access hospital.</p>		
<p>Conclusion/Clarification Request for Plan and Detailed Information and Projections from SHS</p>	<p>After much discussion on the items described above, Conrad Freeman with Vectra Bank requested detailed projections for how and when SHS expects to get days’ cash on hand back to what is required in Continuing Covenant Agreement.</p> <p>Additionally, Zions Bankcorp Credit Manager Mark Wright advised that he is interested in covenant compliance and a permanent plan. What has been presented questions whether it is realistic to expect that losses will be shored up timely. These changes described do not address cash flow and labor force issues will take 6 months to a year to begin to address.</p> <p>Mr. Wright further expressed concern that with the debt service funds being added to days’ cash, this will only temporarily and partially alleviate the impending forbearance. SHS has already been out of compliance on days’ cash on hand requirement for 2 consecutive quarters and is 6 weeks away from the third quarter of non-compliance.</p> <p>Further, it was discussed that when the original debt was assessed, much of the funds utilized to repay the debt was provided through the operations of Southwest Health System. Under the new reamortization debt payment, the repayment is provided almost wholly from MCHD sales tax revenue. Because debt service was initially provided from operations, this required Days’ Cash on Hand of SHS to be higher. With the debt payments provided through sales tax revenue going forward, the days’ cash on hand could be lowered to a more operable level for SHS. It was also noted that the 80 days’ cash originally required is much higher than the average set for debts of similar debts of critical access and community hospitals of similar size. This reamortization results in a lowering of MADS (Maximum Annual Debt Service) from \$3.7M to \$2.2M. Previously, the debt was front-loaded, but now that the sales tax does not sunset, this gives the opportunity to plateau payments at a set rate for the remainder of the loan maturing in 4046.</p>	<p>Mr. Wright stated further that a forbearance strategy must be provided. The days’ cash on hand required under the current agreement does not appear to be realistic in the current environment. Mr. Wright stated that this underlying issue must be addressed and represented for the bank syndicate to address properly in future agreements and language. Due to the current covenant violation, the capital expense fund proposed would not be paid out even if requested.</p> <p>The bank syndicate requests of SHS, with backup data:</p> <ol style="list-style-type: none"> 1) When (what month) and where (number of days’ cash) will SHS’s days’ cash stabilize. 2) CHC to provide recommended days’ cash threshold of similar-sized healthcare organizations. 3) A detailed plan with days’ cash projections as the ideas for correcting lost cash and revenues to stabilize. This detailed presentation will be prepared and presented in a call with Vectra bank, Ms. Diehm, Mr. Theine, to be scheduled upon Mr. Theine’s return in approximately 3 weeks. 	<p>Ms. Diehm, Mr. Theine, Mr. Thomason</p> <p>Ms. Diehm, Mr. Theine, Mr. Thomason,</p>

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Adjournment		It was moved and seconded to adjourn at 11:27 am. MOTION: Robert Dobry SECOND: Sean Flaherty Motion carried.	

Bridgett Jabour, Secretary

Rob Dobry, Secretary/Treasurer

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
September 13, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Shelle Diehm, SHS Interim CFO	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Gala Pock, Director	Lisa Gates, SHS CNO	
Sean Flaherty, Director	Joe Theine, SHS CEO	Excused/Absent:
Bill Thompson, Vice-Chairperson	Shirley Jones, SHS Board Chair	Orly Lucero, Director
Bob Ower, Director (once appointed by Board)	Sean Killooy, SHS Board Scty/Treas (via Teams)	Heidi Trainor, CPA
	Public: Mary Dodd & Bill Stroop	Bryson McCabe, MCHD Attorney
Also Present:		Kelly McCabe, MCHD Attorney
Keenen Lovett, MCHD Attorney		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:01 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Public Comment	Mary Dodd stated her appreciation for the MCHD Board and the minutes and agendas provided to allow the public knowledge on what the District is pursuing to further the mission of the district.		
Changes to Agenda	MCHD Attorney Keenen Lovett advised that the first agenda item to swear in Bob Ower had been completed at the attorney's office already	This agenda item was dismissed as it was not necessary.	
Consent Agenda	August 9, 2023 Regular Meeting Minutes August 15, 2023 Special Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. MOTION: Gala Pock SECOND: Bill Thompson Motion carried.	
<u>REPORTS and ACTION ITEMS</u>			
SHS Board Report	SHS Board Chair Shirley Jones advised that her and the SHS Board have reinstated a Nominating Committee for board members. There are many interested applicants, more than open seats. The Committee includes 2 representatives of the MCHD Board, members of the community, Medical Executive Committee, employees and SHS Board members. This committee will interview and recommend to the SHS board their choice of candidates. SHS Board Secretary Treasurer Sean		

<p>CEO Report</p>	<p>Killoy advised that he was heading up the Nominating Committee and the plan was for the Committee to meet in the coming weeks to provide this recommendation promptly to the Board.</p> <p>Ms. Jones also advised that she has attended helpful meetings with Western Healthcare Alliance Chairperson Panel. Collaborating with this group has been very helpful.</p> <p>SHS CEO Joe Theine gave a verbal report and advised recent activities.</p> <ul style="list-style-type: none"> • A recruiting task force has been implemented to assist with recruiting physicians and providers needed. 11 potential physicians have been interviewed, 3 are couples. The first person is coming on site next week, working closely with folks in the community to make the visit warm and personal, allowing the physicians to experience all the community has to offer. • Mr. Theine is also working to integrate physician leadership into leadership discussions. • He had a meeting scheduled with Sen. Hickenlooper’s office in Durango, in which, infrastructure upgrades expense and potential grant opportunities and recommendations in how to structure the grants for the best chance of award. • Mr. Theine has met with Tom Burris of Montezuma-Cortez School District. 		
<p>CFO Report</p>	<p>SHS Interim CFO Shelle Diehm reviewed the July financials enclosed.</p> <ul style="list-style-type: none"> • EBIDA YTD is \$3.03M, for July is \$600K. • Days cash on hand is 70 days. • Cash decreased by \$147k in July. This is due to the lower collections on Patient receivables which increased by \$431k. • With the new amendment to the 2016 Bond Continuing Covenant Agreement and new amortization schedule, as well as the capital expenditure fund approved and signed with the bank syndicate, the days cash on hand calculation will change. Because of CHC maintaining a 6-month lookback while the new Amendment does a 3-month lookback, there will be different calculations 		

	<p>depending on the report you're viewing beginning next month.</p> <ul style="list-style-type: none"> • Ms. Diehm will update the debt payments with the capital expenditures. • It was noted that SHS receives full reimbursement even if the office visit is a telehealth visit at least through the end of 2023. It will end in 2024 if not extended by CMS. • Ms. Diehm reviewed the handout of the insurance renewals for SHS, per lease requirements under sections 4.10 and 4.15(e). 		
March Financial Report – Robert Dobry, Scty/Treasurer	<p>Mr. Dobry reviewed the financial report. Strong sales tax month totaling \$199,862.25.</p> <p>No finance report was included in the packet.</p>	Ms. Jabour will look into what happened with the report.	Ms. Jabour
Foundation Report	Ms. Pock advised that the Foundation board held a meeting, but no new information to report. They're planning to start meeting monthly and Ms. Dodd advised that the group called "Friends of the Hospital" is working to assist the Foundation in finding board candidates for the foundation. There are 4 open board seats.		
Facility Report	<p>Mr. Johnson requested SHS Plant Operations Director Rob Owens regarding the glycol feeder quote to optimize heating in water piping in the south campus.</p> <p>Mr. Owens reviewed a proposal to sell the Generac Generator for \$25,000, in which the purchaser will pick up the generator. Authority to sell has already been given – this is just an update to the Board. A date for pickup will be set and payment received upon pickup.</p> <p>Mr. Owens advised that they're looking to split up the roofing repair proposal into 3 separate quotes, and potentially stretching out financing to 90 days, and timing of payments. There was discussion regarding grant funding for this expense.</p> <p>The board reviewed the glycol feeder work as the first project completed with the capital fund created through the 2016 Bond Amendment referenced above.</p>	<p>It was moved and seconded to pre-approve this with the recommendation from Facilities after researching the potential to change to a bid that includes</p>	Mr. Augustini

		<p>a warranty. This is preapproved to \$7,000. MOTION: Sean Flaherty SECOND: Robert Dobry Motion carried.</p>	
Attorney Report	<p>Mr. Lovett advised that the legal team will be reviewing lowering the Days Cash on Hand requirement of 80 days to a more appropriate level based on other similar loans and national averages. More to follow.</p> <p>The Board reviewed the enclosed "Certificate of Authorized Signers" for the purpose of requesting capital funds from the 2016 Bond Amendment (glycol feeder being the first).</p>	<p>It was moved and seconded that the Board Officers be the Authorized Signers. MOTION: Sean Flaherty SECOND: Gala Pock Motion carried.</p>	
Adjournment		<p>The Board adjourned the meeting at 7:18pm. MOTION: Robert Dobry SECOND: Sean Killoy Motion carried.</p>	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

Montezuma County Hospital District Regular Board Meeting
EMS Training Room
October 11, 2023

Present:

Also Present:

Brandon Johnson, Chairperson	Public: Tom Buffaloe	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary for MCHD Board
Gala Pock, Director	Joe Theine, SHS CEO	
Sean Flaherty, Director	Shirley Jones, SHS Board Chair	Excused/Absent:
Bob Ower, Director		Orly Lucero, Director
		Heidi Trainor, CPA
		Bryson McCabe, MCHD Attorney
Also Present:		Kelly McCabe, MCHD Attorney
Keenen Lovett, MCHD Attorney		Bill Thompson, Vice-Chairperson

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Public Comment	There was none.		
Changes to Agenda	None.		
Consent Agenda	September 13, 2023 Regular Meeting Minutes September 18, 2023 Special Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. MOTION: Robert Dobry SECOND: Gala Pock Motion carried.	
REPORTS and ACTION ITEMS			
SHS Board Report	SHS Board Chair Shirley Jones and Robert Dobry reviewed the status of the SHS Board Nominating committee. 5 candidates were interviewed. The next meeting is Tuesday, in which, scoring and recommendations for candidates will be completed to fill the 3 open positions. Great candidates were interviewed		
Finance and Operations Report CEO Joe Theine	SHS CEO Joe Theine reviewed the enclosed financials with the following highlights: <ul style="list-style-type: none"> • Inpatient growth this year is led by the swing bed program. • Review of statistics, highs and lows year-to-date 		

	<ul style="list-style-type: none"> • EBIDA is increased over prior year. • SHS is tracking the multiple days' cash calculations now that the amendment has changed the look-back to 6 months. These multiple calculation reviews will allow assessment of changes based on previous and current calculations. • 3 payperiods twice per year result in a hit to cash, this year this will occur in November, but with recalculation, days' cash is estimated to be at 84 days in spite of this change. <p>Mr. Theine then reviewed his enclosed operational report highlighted below:</p> <ul style="list-style-type: none"> • SHS board action, minutes and agendas may be reviewed on the SHS website. • There are many legislative challenges and national trends that put pressure on health systems, this affects SHS tremendously. This includes workforce decrease and staff turnover. • Most costs are fixed, so additional patient revenue opportunities can help mitigate growing costs. In addition, SHS is working to recruit permanent providers and nursing staff through work with schools regionally to recruit and contact candidates prior to graduation to develop relationships. • Mr. Theine reviewed the recruitment status. The task force is actively recruiting for Family Practice with OB, Internal Medicine, Family Medicine and Hospitalists. 25 candidates, 5 with offers. 		
<p>Financial Report – Robert Dobry, Scty/Treasurer 2024 Budget August and September Financials</p>	<p>Mr. Dobry reviewed the enclosed budget for 2024 and requested feedback regarding capital outlay increase to \$500k. Budget on sales tax revenue is conservatively budgeted assuring a prudent budget and plan for the next year.</p> <p>Both August and September financials were enclosed for Board review. September tax revenue is \$195,537.66</p> <p>Mr. Dobry is working with Financial Advisor with Vectra Wealth Daniel Mosher and look at short-term treasury notes to mitigate inflation with increased bond interest rates.</p>	<p>The Board affirmed changing capital outlay to \$500k for continued development of budget. Mr. Dobry will forward this to Heidi Trainor to complete and post appropriately. This will be reviewed at the November meeting, with appropriate newspaper posting.</p>	<p>Mr. Dobry</p>
<p>Foundation Report</p>	<p>The foundation has not met since the last board meeting.</p>	<p>After discussion, it was agreed that Ms. Pock will ask the Foundation for</p>	<p>Ms. Pock</p>

	Mr. Johnson asked about the Foundation funding and/or managing a building dedication or naming to Mr. Fred DeWitt who recently resigned from the Board for the many years of service on the MCHD Board.	recommendations and coordination, but any expense for any such acknowledgement will be paid by the MCHD Board. Pricing and options will be brought back to the Board for review.	
Facility Report	SHS Plant Operations Director Rob Owens advised that he was able to procure a 1-year workmanship and parts warranty on Glycol piping project. While he has not gotten the final bid, it will come in under the \$7k approved by MCHD in the last meeting. No further action needed to complete.		
Attorney Report	Mr. Lovett advised that the legal team will be reviewing lowering the Days Cash on Hand requirement of 80 days to a more appropriate level based on other similar loans and national averages. Mr. Lovett reviewed the potential implications of Proposition HH. Mr. Dobry stated that he was intending to reach out to the Special District Association	Mr. Lovett will keep the board apprised as this develops.	Mr. Lovett
Adjournment		The Board adjourned the meeting at 7:17pm. MOTION: Robert Dobry SECOND: Gala Pock Motion carried.	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
November 8, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Lisa Gates, SHS CNO	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Leah Wright, SHS
Gala Pock, Director	Joe Theine, SHS CEO	
Sean Flaherty, Director	Sean Killooy, SHS Secretary/Treasurer	Excused/Absent:
Bob Ower, Director	Shelle Diehm, Interim CFO	Orly Lucero, Director
Bill Thompson, Vice-Chairperson		Heidi Trainor, CPA
		Bryson McCabe, MCHD Attorney
Also Present:		Kelly McCabe, MCHD Attorney
Keenen Lovett, MCHD Attorney		

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:02 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Public Comment	There was none.		
Changes to Agenda	None.		
Consent Agenda	October 1, 2023 Regular Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. MOTION: Robert Dobry SECOND: Sean Flaherty Motion carried.	
REPORTS and ACTION ITEMS			
SHS Board Report	There was not a SHS Board Report.		
Finance Report Shelle Diehm	SHS Interim CFO Shelle Diehm reviewed the enclosed financials with the following highlights: <ul style="list-style-type: none"> • September EBIDA is \$580k; Year-to-Date is \$4.5M. • Days cash on hand calculations have been updated under the new bond covenant calculations, including restricted funds. September ended days' cash at 85 with the new formula. 		

<p>Operations Report CEO Joe Theine</p>	<ul style="list-style-type: none"> • Review of statement of cash flows, balance sheet, ops analysis. • November has three payrolls. • <p>Ms. Diehm reported that by end of year \$2.15M will go into Capital Improvement Plan.</p> <p>Mr. Theine then reviewed his enclosed operational report highlighted below:</p> <ul style="list-style-type: none"> • 32 total Candidates, 16 currently active, 12 candidates are in in process with interviews, 10 candidate interviews completed, 6 candidates have offers and 5 offers have been accepted. • Currently still looking for CFO, Shelle will continue to work, but after a vacation and will be offsite. Heather Frazier will be taking office and some leadership responsibilities. • Carelock is resigning in January. • Dec 18, 2023 is SHS Board annual meeting, SHS Board likely to complete the nominating process at that time. 		
<p>Financial Report – Robert Dobry, Scty/Treasurer</p>	<p>October financials were enclosed for Board review. October tax revenue is \$207,007.91. \$187,877.06 was collected from the General fund, \$18,094.40 from the Health fund and \$1,036.45 from the additional Health fund.</p> <p>Mr. Dobry would like to add \$10K to the election expense to the proposed budget. Mr. Dobry opened the topic of the 2024 proposed budget to the public for comment, no comment was made, Mr. Dobry then closed the public comment.</p> <p>The final payment from the DOLA grant last year was received in the amount of \$7,500.00. A motion was made and seconded to transfer the full amount of the DOLA grant (\$150,000.00) to in investment sweep account.</p> <p>MCHD is receiving \$20K for the generator in two separate checks, a motion was made to move this money into the investment account.</p>	<p>A motion was made and seconded to move the full \$150,000.00 received from the DOLA grant into the sweep investment account. MOTION: Rob Dobry SECOND: Gala Pock Motion carried.</p> <p>A motion was made and seconded to move the \$20K received for the generator into the investment account. MOTION: Rob Dobry SECOND: Gala Pock Motion carried.</p>	<p>Mr. Dobry</p>
<p>Foundation Report</p>	<p>The foundation would like to contribute a plaque in honor of Fred DeWitt. Next week the Foundation will be meeting and</p>	<p>A motion was made and seconded to approve the spending of up to \$800.00</p>	<p>Ms. Pock</p>

	would like to donate a 8X10 bronze plaque to be placed on the Mancos Clinic naming it the Dewitt Building. MCHD to pay for plaque of the Foundation does not, the cost should be between \$500.00 and \$800.00.	for the naming plaques of the Fredd DeWitt building. MOTION: Roby Dobry SECOND: Bill Thompson Motion carried.	
Facility Report	SHS Plant Operations Director Rob Owens advised that the Granger Finance Department has agreed to meet with Shelle Diehm. George Augustini is putting together a presentation about Microbridge where solar will be used to offset some the anticipated cost of utilities. There was a discussion on the next DOLA grant and the timing, most believe that we would be unable to get the grant complete by 12/1 to turn in. Mr. Thiene believes we should go ahead and apply as there are plenty of objects other than the roof to use the funds toward.		
Attorney Report	Mr. Lovett advised that the legal team that an email was sent out concerning the Walk In Clinic Lease extending the lease to three years. A motion was made and seconded to extend the lease. Mr. Lovett informed the Board that the current Bylaws are being reviewed and the only change proposed would be to change election years to odd years, the changes will be revisited at next months meeting.	A motion was made and seconded to approve a new term for the Walk In Clinic located at 1413 North Mildred Road to three years or to go through 2026. MOTION: Rob Dobry SECOND: Gala Pock Motion carried.	Mr. Lovett
Adjournment	Next meeting to take place 12/13, 2023.	The Board adjourned the meeting at 7:00pm. MOTION: Gala Pock SECOND: Rob Dobry Motion carried.	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer

**Montezuma County Hospital District Regular Board Meeting
EMS Training Room
December 13, 2023**

Present:

Also Present:

Brandon Johnson, Chairperson	Shirley Jones, SHS Chair	Recorded by:
Robert Dobry, Secretary/Treasurer	Rob Owens, SHS Plant Operations Director	Bridgett Jabour, Secretary
Gala Pock, Director	Joe Theine, SHS CEO	
Sean Flaherty, Director	Sean Killoy, SHS Secretary/Treasurer (via phone)	Excused/Absent:
Bob Ower, Director	Susan Hodgdon, SHS Vice-Chair (via phone)	
Bill Thompson, Vice-Chairperson	Jesse Avery, Mazzetti	Heidi Trainor, CPA
Orly Lucero, Director (via Teams)	George Augustini, Mazzetti	Keenen Lovett, MCHD Attorney
Counsel:	Ryan Stromquist, Mazzetti	
Kelly McCabe, MCHD Attorney	Bethany Beers, Mazzetti	

Agenda Item/Topic	Findings and Discussions	Conclusions, Recommendations, Actions, and/or Motions	Follow-up Responsible Party
Call to order	MCHD Chair Brandon Johnson called the meeting to order at 6:00 pm.		
Roll Call	Roll was called for the Board by Robert Dobry, Scty/Treas for MCHD Board.		
Public Comment	There was none.		
Changes to Agenda	Mr. Theine advised that there will be no finance report as SHS Board has not reviewed and approved yet. It will be sent out after the SHS Board meets on December 18 th .		
Consent Agenda	November 8, 2023 Regular Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. MOTION: Robert Dobry SECOND: Bob Ower Motion carried.	
REPORTS and ACTION ITEMS			
SHS Board Report	SHS Chairperson Shirley Jones reported that the SHS Board had an orientation with 4 new members, as well as a refresher for existing Board members on December 8 th . The new members are Evelyn Quigley, Jay Wood, Eric Croke and Jim Rogers. The annual meeting is on December 18 th at 5pm in the Kiva Room. Ms. Jones is excited for the new members. SHS Scty/Treasurer Sean Killoy advised that he is not continuing on the		

<p>SHS Operating Report – Joe Theine</p>	<p>SHS board after the December meeting; he stated his appreciation to the MCHD Board in collaborating with SHS during his tenure.</p> <p>Mr. Theine reported the following:</p> <ul style="list-style-type: none"> • Internal Medicine Locums Rebecca Moore, MD will be converting from a locums to a permanent employee with a signed letter of intent. Dr. Moore will work out of the SMG Primary Care clinic, anticipated to begin in January of 2024. • Main focus in recent weeks has been the finalization of the 2024 budget as well as a review and update of the Medical Staff Development Plan strategy and focus, which will determine the goals and focus of maintenance and growth of services to further the mission of SHS. • More to be reported after the SHS Board meets on December 18th. 		
<p>Financial Report – Robert Dobry, Scty/Treasurer</p>	<p>November financials were enclosed for Board review.</p> <p>November tax revenue is \$201,483.09 was collected from all 3 funds. Year-to-Date total of collected sales tax revenue is \$2.156M, with a monthly average of \$179,000. This is no change from prior year revenue; we can anticipate this to remain static going in to 2024.</p> <p>The 2024 Budget presented may have some potential changes due to a state Special Session, which is pending the final assessment on how that affects property and sales tax revenue for 2024.</p> <p>Enclosures for Consideration: Resolution to Set Mill Levies Resolution to Appropriate Sums of Money Resolution to Adopt Budget</p>	<p>It was recommended that a Special Board Meeting be scheduled for January 3, 2024 to address the potential changes necessary for the 2024 Budget. If, after conclusion of the assessment underway the meeting is not necessary, all will be informed that it was canceled. Mr. Johnson affirmed the scheduling of the Special Meeting for 6pm on January 3, 2024 in the EMS Training Room. Agenda Item to be 2024 Budget.</p> <p>It was moved and seconded to approve the enclosed Resolution to Set Mill Levies pursuant to Section 39-5-128, CRS and Section 39-1-111, CRS for Budget Year 2024 as presented. MOTION: Robert Dobry SECOND: Gala Pock Motion carried; none opposed.</p> <p>It was moved and seconded to approve the Resolution to Appropriate Sums of Money for 2024 Budget Year as presented. MOTION: Robert Dobry SECOND: Gala Pock Motion carried; none opposed.</p>	<p>Ms. Jabour will prepare and post the meeting as appropriate.</p>

		<p>It was moved and seconded to approve and Resolution to Adopt Budget pursuant to Section 29-1-108, CRS for Budget Year 2024 as presented.</p> <p>MOTION: Robert Dobry SECOND: Gala Pock</p> <p>Motion carried; none opposed.</p> <p>Motion to authorize Brandon Johnson to sign the transmittal letter for the 2024 budget to the local government, pending no changes necessary from with the Special Session assessment pending final ruling.</p> <p>MOTION: Robert Dobry SECOND: Gala Pock</p> <p>Motion carried; none opposed.</p>	
Foundation Report	<p>Gala Pock, Director reported the recent fundraiser resulted in donations approximating \$5,000 at Wild Edge alone. Recent fundraising has resulted in an approximate total of \$9,000. In addition, an anonymous donor has pledge \$25,000. The current focus of fundraising is to help raise funds for an endoscope for assessing swallowing for Speech Therapy.</p> <p>The Foundation Board is also looking to increase board numbers to further the mission of the Foundation. If you know anyone interested in being on the board, reach out to Abby Nuetzel.</p> <p>The Foundation funded the other half of the expense for the plaque for Fred DeWitt. His award ceremony is scheduled for December 20th.</p>		
Facility Report	<p>MCHD Chair Brandon Johnson advised that the roofing proposal is working its way through the process. It will be reviewed in Capital Infrastructure Committee scheduled for January 10th at 9am. Mr. Dobry advised that from a DOLA grant perspective, timing is key as the next application due date is March 2024.</p> <p>George Augustini and his team from Mazzetti reviewed a slide presentation on Microgrids and the opportunities to better balance usage and available energy producing technology at the facility. In addition, there are numerous funding opportunities as well as annual energy savings over time.</p>	<p>It was noted that with the resignation of Sean Killoy from the SHS Board, the SHS representative to the Capital Infrastructure Committee will need to be appointed and brought up to speed on the current and proposed projects underway.</p> <p>Mr. Augustini will provide the slideshow to Ms. Jabour to email out to the MCHD Board.</p>	<p>SHS Board to appoint new Member</p> <p>Mr. Augustini Ms. Jabour</p>

		Mr. Johnson reviewed two additional invoices presented for payment by MCHD from Anytime Electric for \$4,755.55 and Summit Electric for \$1,122.91 paid by SHS, so reimbursement would be to SHS for the electrical work and supplies. It was moved and seconded to approve payment of the two invoices totaling \$5,878.46. MOTION: Robert Dobry SECOND: Sean Flaherty Motion carried; none opposed.	
Attorney Report	Mr. McCabe advised that the lease modification increasing the term for another 3 years at 1413 N Mildred Road is underway, as approved by MCHD at the November 2023 Board Meeting.		
Adjournment	Next meeting to take place January 10, 2024.	The Board adjourned the meeting at 7:21 pm. MOTION: Gala Pock SECOND: Rob Dobry Motion carried.	

Bridgett Jabour, MCHD Secretary

Robert Dobry, Secretary/Treasurer