Montezuma County Hospital District Regular Board Meeting
EMS Training Room
August 13, 2025

Present:	**Also Present:**	
Brandon Johnson, Chairperson	Rob Owens, SHS Plant Operations Dir	**Recorded by**:
Gerald "Jerry" Whited, Director	Peter Rehn, Owner's Representative	Bridgett Jabour, Secretary
Sean Flaherty, Director	Adam Conley, SHS CFO	
Bob Ower, Director	Eric Croke, SHS Vice-Chair	**Counsel:**
Scott Anderson, Director	Joe Theine, SHS CEO	Kelly McCabe, MCHD Attorney
		Excused/Absent:
		Abby Nuetzel, Director

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	The roll was called by Mr. Flaherty.		
Public Comment	None.		
Consent Agenda	July 9, 2025, Regular Meeting Minutes Payment of Bills	It was moved and seconded to approve the consent agenda as presented. Motion: Sean Flaherty Second: Jerry Whited Motion carried.	
REPORTS and ACTION ITEMS			
SHS Board Report	SHS Board Vice-Chair Eric Croke advised that there is uncertainty with funding as state shortfalls and federal funding remains volatile. The SHS Board continues to maintain a steady focus while watching closely the challenges anticipated with state and federal fiscal changes.		

SHS Operating Report – CEO Joe Theine **SHS Finance Report – CFO Adam Conley**	Mr. Theine advised that uncertainty continues at the federal and state level. The state of Colorado is holding a special legislative session. The state Medicaid program funding is being reviewed at the state level. SHS is starting to prepare the 2026 Budget; SHS is planning for normal operations in 2026. The biggest impact in 2026 of the Big Beautiful Bill sunsets insurance tax credits. Insurance/reinsurance market going up 30% in Southwest Colorado. SHS is planning for a loss of some commercial payers through this change. Oncology collaboration with Mercy has helped local folks get some care at SHS without having to drive to Durango. SHS CFO Adam Conley reviewed the enclosed graphs, ratios, cash balances, IS, BS, and operational analysis through Q2 of 2025. DCOH at 108 days. Year to date EBIDA is $3.54m Reviewed all reports, ratios, cash balances, IS, BS, operational analysis enclosed.		
MCHD Financial Report – Sean Flaherty Scty/Treas	MCHD Scty/Treas Sean Flaherty reviewed the enclosed bank statements. Total cash and investment balance of $3m. Received sales and use tax in July was $206,033.75, which is an increase of 1.5% over prior month and 5% above where we were last year. Hartford Insurance we paid – pays bond policy. No coverage for vacant lots? Limitations on recovery to $400k as governmental entity. Mr. Flaherty explained that all investments through Vectra currently have $800k in a money market account. Mr. Flaherty will meet with Vectra Wealth advisor and look at options with guidance from McCabe’s office and provide a presentation to the MCHD Board in the coming months.	Mr. Flaherty explained that payments of sales tax revenues have had the smaller component withheld for 1 month and paid the following month. Mr. Flaherty proposed catching up the payment to SHS as revenues are received from the state of Colorado. It was moved and seconded to “make double payment on all services for the month of June and July health services payment to catch up to SHS.” MOTION: Sean Flaherty SECOND: Bob Ower Motion carried.	

Owner's Representative Report – Peter Rehn, CAPM	Mr. Rehn discussed and recommended tabling the Lucero memorial until a process and concept and expense for all memorials as a general policy be defined. Mr. Rehn provided a rendering of the two proposals of landscaping being contemplated by the Emergency Department entrance. Optional 1 with apron is preferred. Mr. Rehn requested direction from board on how to structure contract with the landscaping company once bid is posted and bids received. The board directed an AIA format contract "CM At Risk" agreement. MCHD Attorney Kelly McCabe's office will work with Mr. Rehn to provide information and format. The anticipated duration of project is 1 week. The Capital Infrastructure Committee has received drawings for fuel system including different locations and configurations of the fuel tank. Also working on getting an agreement with Fraley Gas to have this fuel tank be a priority delivery facility. DOLA grant funding might be a funding source for the construction. The Microgrid project progress is on hold as new data and information being received changes the length of time for return on investment. Additionally, with legislative changes and environment, a grant to assist with cost of generation (ie. solar panels) is likely not going to get any funding right now. AH4 replacement is scheduled for the beginning of September. Compressors are scheduled to arrive the end of September as they are back ordered. Lighting changeout is 50% complete. Will take 2 months more to complete – going well.		
Foundation Report	Foundation Representative Bob Ower advised that the Foundation has gotten good exposure with much community engagement and participation in fundraising. Year-to-date donations have reached approximately $120k in gifts and sponsors. So far, the Foundation has funded 2 pieces of equip		

	in 2025: 1) Infant Jaundice meter and 2) a PFT machine, which totals approximately $70k.		
Optional Board Member Presentation/Report	Mr. Ower reported that he would like to step down from being the MCHD rep for Pipeline 21. After discussion, MCHD Director Scott Anderson agreed to take over as representative for MCHD. Mr. Flaherty reported that Tyler technologies is working on website development for MCHD. The website is anticipated to be ready in the next few months. In addition, Mr. Flaherty asked SHS leadership in the meeting about the potential to put up a weather station up at the hospital that will provide data for air quality monitoring several different elements. There is only one air quality sensor in the area at the Cortez fire station only for PM 2.5 is all that is monitored. Mr. Theine advise that there are no concerns from SHS to provide. There were also discussions about also placing at the Mancos clinic.	It was moved and seconded to appoint Scott Anderson as liaison to 21 Pipeline on behalf of MCHD. MOTION: Scott Anderson SECOND: Jerry Whited Motion carried.	
Attorney Report	Mr. McCabe advised that MCHD did sign the owner's rep agreement signed. Mr. McCabe educates the board to answer questions asked during board orientation regarding the current bond outstanding. The balance is $24,683,762.82 principal on the 2016 Bond. The principal was reducing quickly until reamortization signed in 2023 for capital infrastructure improvements. Interest rate remained the same. The bulk of P&I is paid by sales tax revenues. Any excess goes into the capital improvement account. Jan 1 of 2027 is when capital infrastructure funding will return to regular payments. At that time, interest rates will jump up to 6.05% and is currently at 4.72%. Set to pay off in 2046. Discussion on debt carrying capacity and potential changes in interest rates. Discussion on the process and the people involved in refinancing.		

Executive Session	Adjourned to Executive Session at 7:36pm.	It was moved and seconded to adjourn to 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. MOTION: Jerry Whited SECOND: Scott Anderson Motion carried.	
Return to regular session	No decisions or recommendations were made.	The board returned to regular session at 8:01pm. No decisions or motions were made in Executive Session.	
Adjournment		It was moved and seconded to adjourn the meeting at 8:02pm. Motion carried.	

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Bridgett Jabour, MCHD Secretary

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Sean Flaherty, Secretary/Treasurer