

- CALL TO ORDER The meeting was called to order at 5:32 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
John Ungersma, M.D., Vice President
Michael Phillips, M.D., Treasurer
D. Scott Clark, M.D., Director
Charlotte Helvie, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Rachel Weckslar, Attorney at Law; Assistant District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT M.C. Hubbard, Secretary
- OPPORTUNITY FOR
PUBLIC COMMENT Mr. Watercott asked if any members of the public wished to address the Board on any items listed on the agenda for this meeting. No comments were heard.
- MINUTES The minutes of the September 23 2009 regular meeting were approved.
- FIRE DEPARTMENT
THANK YOU Bishop Fire Chief Ray Seguire thanked the Hospital District for the donation of its' former Conference Room to the Bishop Fire Department for use as a classroom and training facility. Mr. Seguire also thanked John Hawes and Scott Hooker for helping with the relocation and setup of the building, and for allowing the Fire Department to train in the old hospital building prior to it being torn down.
- FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer called attention to the financial and statistical reports for the month of August 2009. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$20,110. He additionally called attention to the following:
- *Inpatient and outpatient service revenue were both under budget*
 - *Total expenses were over budget*
 - *Salaries and wages were under budget*
 - *Professional fees expense continues to be over budget*
 - *Bad Debt expense is over budget*
 - *The Balance Sheet shows no significant Change*
 - *Total Assets continue to grow*
 - *Year-To-Date Net Revenue is \$978,400*
- Mr. Halfen briefly reviewed the status of the Hospital's current assets and investments. It was moved by John Ungersma, M.D., seconded by D. Scott Clark M.D. and passed to approve the financial and statistical reports for the month of August 2009 as presented.

ADMINISTRATOR'S
REPORT
BUILDING UPDATE

Kathy Sherry with Turner Construction updated the Board on the status of the Hospital rebuild project. Half of the piers for the foundation are in the ground and it expected the rest will be completed by the first week in December. The second phase of foundation work will begin next week, followed by work on underground utilities. Re-bidding of some of the subcontractors for Phase II has been completed and the Hospital will realize a savings of approximately 1.5 million dollars on the project as a result. The architect transition is going well, and the peer review process has most likely helped to prevent transition problems from arising.

Mr. Halfen reviewed cash flow for the building project and explained the source of funds that will be used, as well as the expected timeline for liquidation of assets needed to fund the project. Mr. Halfen is currently watching market conditions in order to choose the most advantageous time to issue the Hospital's Build America bonds. He additionally noted that discussion regarding plans for Phase III of the building project should begin in the near future. Phase III will be far less complicated than Phase II of the building project.

SECURITY REPORT

Mr. Halfen referred to the monthly Security report, which revealed no significant security issues.

BIRCH STREET
PROPERTY

Mr. Halfen also reported the appraisal of the property at 2957 Birch Street has come in at \$525,000, and he plans to move forward with the purchase of that property. Mr. Halfen also distributed a revised resolution for the real estate purchase, and following review of the document it was moved by Doctor Clark, seconded by Dr. Ungersma, and passed to ratify the resolution to purchase the property at 2957 Birch Street in Bishop California as presented.

CHIA BOARD MEETING

Mr. Halfen reported that thanks to the efforts of Interpretive Services Manager Jose Garcia, the California Hospital Interpreter's Association (CHIA) recently held a Board meeting at Northern Inyo Hospital (NIH). CHIA is one of the leading interpretive services organizations in the country, and the opportunity to network with the group was invaluable to the Hospital's interpretive services program.

IT SYSTEMS REVIEW

Hospital Information System (HIS) demonstrations are continuing, and should be completed by the end of November. After that time, the hospital's HIS Selection Committee will begin the process of choosing the system that will best suit the needs of Northern Inyo Hospital.

NEXT MEETING

In accordance with the holiday schedule the next regular meeting of the District Board of Directors will be held on Wednesday, December 2 2009. This will be the last regular meeting of the 2009 calendar year.

CHIEF OF STAFF
REPORT

Chief of Staff Charlotte Helvie, M.D. reported the Medical Executive Committee recommends the appointment and privileging of the following physicians:

1. Appointment of Thomas J. Boo, M.D. to the NIH Provisional Active Medical Staff
2. Appointment of the following Virtual Radiologic physicians to the NIH Provisional Consulting Staff:
 - Kimberly Joyce Burkholz, M.D. - Susan Amy Klein, M.D.
 - Karen Stark Caldemeyer, M.D. - Leslie Scott Miller, M.D.
 - Shailendri Eswar-Rao Phillip, M.D. - Steven Mark Cohen, M.D.
 - Richard Lee Toothman, M.D. - Mark Cameron Davis, M.D.
 - Charles Stephen Henry, M.D. - Marc Howard Paul, M.D.
 - Raymond M. Montecalvo, M.D. - Heidi Kristine Henry, M.D.

It was moved by Doctor Clark, seconded by Michael Phillips, M.D., and passed to approve all Medical Staff appointments and privileging as recommended.

OLD BUSINESS

Dr. Helvie also reported the Radiologist selection process is still ongoing, and the top three candidates have been asked to make presentations to the Radiologist Selection Committee.

REAFFIRMATION OF
NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of a real property at Barlow Lane and Highway 395 in Bishop, California. Negotiation will be with the designee(s) of Inyo Mono Title. It was moved by Doctor Phillips, seconded by Doctor Clark, and passed to reaffirm Mr. Halfen as negotiator as requested.

NEW BUSINESS

REVIEW OF FINANCIAL
REPORTS

Mr. Halfen additionally asked the Board to consider any changes they may want to the monthly financial reports that are provided for them on a monthly basis. This agenda item will be discussed in further detail with NIH Controller Carrie Petersen at the Board's next regular meeting.

EMPLOYEE
SATISFACTION
SURVEY

Mr. Halfen referred to results of the Hospital's recent Employee Satisfaction Survey, which were provided for the Board to review. It was noted the survey results would be easier to read if they were reproduced in color (rather than black and white), and it was decided this agenda item will be discussed at the next regular meeting, after the Board has been provided with a color version of the survey results.

TURNER LOGISTICS
TRANSITION PLAN

Mr. Halfen called attention to a proposal from Turner Logistics for Hospital Relocation services, which would assist NIH with its move from the old hospital building into the new facility. Turner Logistics has saved the Hospital a significant amount of money on equipment acquisition for the new building, and having them manage the move to the new facility should save additional money as well. Following review of the transition

plan it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the Relocation Facilitation Services agreement with Turner Logistics as presented.

SHREDDING MACHINE
PURCHASE

Director of Plant Operations Scott Hooker referred to a proposal to purchase a new shredding machine at a cost of \$32,178. The Hospital's current shredder is broken beyond the point of repair, and Mr. Hooker illustrated the fact that it is cost effective to purchase a new machine and continue to process shredded material in-house. Following review of the proposal it was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve the purchase of a new shredder for the Hospital as recommended.

INFORMATION
TECHNOLOGY
PURCHASES

Information Technology (IT) Director Adam Taylor referred to capital expenditure proposals to purchase computer storage and data backup solutions for the Hospital. Both expenditures were included as part of this year's budget and came in close to the original estimated costs.

Mr. Taylor also referred to a capital expenditure request to purchase switches for the computer network infrastructure for a total of \$74,382. This expenditure was also included in the proposed budget and is needed to maintain the quality of the hospitals' computer infrastructure now and following the transition into the new hospital building. It was moved by Doctor Ungersma, seconded by Doctor Phillips, and passed to approve all three IT capital expenditures as requested.

STRUCTURAL
ENGINEERING
SERVICES; AND
TURNER
CONSTRUCTION
CHANGE ORDERS

Mr. Halfen referred to a proposed agreement for structural engineering services with Thornton Tomasetti. Tomasetti's previous contract was with NTD Stichler Architects, and because of Stichler's exit the agreement has been revised to be between Northern Inyo Hospital and Tomasetti for the duration of the project.

Kathy Sherry with Turner Construction referred to Turner change order requests COR-017 and COR-018, which were presented for the Board's review. Change order COR-017 is needed to complete drilling of the foundation piers for the new hospital building, and represents an increased cost of \$205,933 for additional casings and welding needed as a result of encountering unexpected soil conditions. COR-018 allows for the purchase of a pre-action sprinkler system for the IT Department, which prevents the water fire suppression system from going off immediately in the IT Department when an alarm is triggered in another area of the Hospital. Following brief discussion it was moved by Doctor Clark, seconded by Doctor Phillips, and passed to approve all three construction-related expenditures and agreements as requested.

AGREEMENT WITH

Mr. Halfen called attention to a proposed income guarantee and practice

MUTUHI MUGO, M.D. management agreement; and to a proposed relocation expense agreement with internal medicine physician Mutuhi Mugo, M.D.. Dr. Mugo intends to relocate to the Bishop area and join the practice of Doctors Asao Kamei, M.D. and Nickoline Hathaway, M.D.. Mr. Halfen noted both agreements closely resemble similar physician agreements the hospital has entered into in the past, but include an appropriate increase to Doctor Mugo's allowance for moving expenses. Following review of both agreements it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve both agreements with Mutuhi Mugo, M.D. as presented. The Hospital District looks forward to welcoming Doctor Mugo to this area during the month of December.

BOARD MEMBER REPORTS Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. No reports were heard.

OPPORTUNITY FOR PUBLIC COMMENT In keeping with the Brown Act, Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda or on any items of interest. No comments were heard.

CLOSED SESSION At 6:51 p.m. Mr. Watercott announced the meeting was being adjourned to closed session to allow the Board of Directors to:

- A. Hear reports on the hospital quality assurance activities, and hear a report from the Medical Staff Executive Committee (Section 32155 of the Health and Safety Code, and Government Code Section 54962).
- B. Instruct negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a real property (Government Code Section 54956.8).
- C. Confer with legal counsel regarding claim filed by John Nesson M.D. against Northern Inyo County Local Hospital District and other Defendants (Government Code Section 54956.9(a)).

RETURN TO OPEN SESSION AND REPORT OF ACTION TAKEN At 7:26 p.m. the meeting returned to open session. Mr. Watercott reported the Board took no reportable action.

POSSIBLE TERMINATION OF A PROFESSIONAL SERVICES CONTRACT Mr. Watercott also requested the Board vote on whether or not they will pursue the possible termination of a professional services contract. It was moved by Doctor Phillips, seconded by Doctor Ungersma, and passed to discontinue consideration of the termination of a professional services agreement at this time.

OPPORTUNITY FOR PUBLIC COMMENT Mr. Watercott again asked if any members of the public wished to comment on any items listed on the agenda for this meeting or on any items of interest. Mr. Halfen noted he feels it is his duty to inform the Board he has a financial interest in Zumasys Corporation, one of the companies being considered for IT services. No other comments were heard.

ADJOURNMENT

The meeting was adjourned at 7:29 p.m.

Peter Watercott, President

Attest:

John Ungersma, M.D., Vice President