

- CALL TO ORDER The meeting was called to order at 5:35 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
D. Scott Clark, M.D., Vice President
John Ungersma, M.D., Treasurer
M.C. Hubbard, Director
- ALSO PRESENT John Halfen, Administrator
Richard Nicholson, M.D., Chief of Staff
Douglas Buchanan, Esq., Hospital District Legal Counsel
Sandy Blumberg, Administration Secretary
- ABSENT Michael Phillips, M.D., Secretary
Dianne Shirley, R.N., Performance Improvement Coordinator
- PUBLIC COMMENTS
ON AGENDA 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 December 5, 2007 regular meeting were approved.
- FINANCIAL AND
STATISTIAL REPORTS John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of November 2007. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$142,275. Mr. Halfen called attention to the following:
- *Net patient service revenue was over budget*
 - *Total expenses were over budget*
 - *Wages, salaries, and benefits were under budget*
 - *The Balance Sheet did not experience significant change*
 - *Total Assets continue to grow steadily*
 - *Year-to-date net income is \$2,032,397*
- Mr. Halfen noted professional fees, bad debt expense, and surgery supplies expense were all over budget. Outpatient service revenue was over budget, and inpatient service revenue was under budget. It was moved by M.C. Hubbard, seconded by John Ungersma, M.D., and passed to approve the financial and statistical reports for the month of November as presented.
- ADMINISTRATOR'S
REPORT Mr. Halfen reported the Office of Statewide Healthcare Planning and Development (OSHPD) recently signed off on plans for the connector between the new Radiology building and the main hospital building. Additionally, the latest estimate is that the Support Building will be completed in the first half of February, and the Radiology building will be ready for occupancy around the first of March. An open house has tentatively been scheduled for March 14 to provide tours of both buildings to interested members of the general public. Additionally, all of the plans
- BUILDING UPDATE

for Phase II of the building project are expected to be approved by OSHPD by the end of this year, and Phase II of the building project is expected to go out to bid in July.

Mr. Halfen also noted he believes the Bishop Paiute Tribe is in the process of drawing up an agreement for the lease of parking space adjacent to the Hospital. If a lease with the Tribe is agreed upon, parking challenges during Phase II of the building project should largely be eliminated.

INTERIM ARBITRAGE
REBATE ANALYSIS

Mr. Halfen referred to an Interim Arbitrage Rebate Analysis prepared by Bond Logistix for the 2005 General Obligation Bonds. A routine analysis of the outstanding bonds will be done every three years, and the current report reveals no problems with the rebate for this bond issuance.

MEDPAC MEETING
INFORMAITON

Mr. Halfen reported that MedPac recently announced significant reimbursement rate cuts (in particular to specialists) but because Northern Inyo Hospital (NIH) has achieved Critical Access status it will not affect the hospital negatively.

17,130

Mr. Halfen reported that 17,130 is the number of cookies prepared by Dietary staff during the 2007 calendar year.

ACA BOND
INSURANCE

Mr. Halfen also reported he has received notification that ACA, the company that insures the Hospital's 1998 bond issue is reportedly at risk of going out of business. The fact that the company is in financial trouble will not affect the Hospital or its interests negatively.

OTHER

Mr. Halfen also reported that thanks to the efforts of NIH's Employee Wellness Committee (including Gloria Phillips, R.N. and Dan David, R.N.) 134 employees have signed up for the Hospital's Wellness Program to date. The Program offers fitness and educational classes, free blood work and screenings, discounts at local business, and in general promotes the health and fitness of employees through a variety of different means.

Mr. Halfen noted it may be necessary to hold a special meeting of the District Board before the next regularly scheduled meeting. The purpose of the special meeting may be to consider an employee grievance and to discuss construction issues for Phase II of the building project.

CHIEF OF STAFF
REPORT

Chief of Staff Richard Nicholson, M.D. reported the Medical Staff has nothing new to report since the last regular meeting of the District Board.

OLD BUSINESS

REAFFIRMATION OF
NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of a real property at 2957 Birch Street, Bishop,

California. Negotiation will be with the designee(s) of Southern Mono County Healthcare District.

Mr. Halfen also asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 152-H Pioneer Lane, Bishop, California. Negotiation will be with the designee(s) of Pioneer Medical Associates and/or Alice Casey, M.D. and Clifford Beck, M.D. It was moved by Doctor Ungersma, seconded by Ms. Hubbard and passed to approve both reaffirmations as requested.

ELECTION OF OFFICERS

Mr. Watercott moved that the District Board re-elect the existing slate of Board officers for the 2008 calendar year. The current Board officers are: Peter Watercott President; D. Scott Clark, M.D., Vice President; John Ungersma, M.D., Treasurer; and Michael Phillips, M.D. Secretary. It was moved by Doctor Ungersma, seconded by Ms. Hubbard and passed to re-elect the existing slate of officers for another year.

NEW BUSINESS

RATIFY MODSPACE LEASE

Mr. Halfen requested that the Board ratify an agreement with ModSpace to lease a modular building for use by displaced staff and services during Phase II of the building project. The agreement with ModSpace involves a \$12,000 per month lease payment for a period of 5 years, and allows for a large modular building to be constructed that will house the Physical Therapy and EKG departments, as well as other services. The ground for the new building is being prepared at this time, and it imperative that the Hospital move forward as quickly as possible to get the new building in place. It was moved by Doctor Clark, seconded by Ms. Hubbard, and passed to ratify the agreement with ModSpace as requested.

MEDICAL EQUIPMENT PRE-CONSTRUCTION AND CONSTRUCTION SERVICES

Mr. Halfen referred to a proposal from Turner Logistics to purchase medical equipment for the new Hospital building. The proposal allows for the purchase of all of the equipment needed with the bulk purchase allowing for an overall price lower than the cost of the equipment were it priced separately. The proposal also puts the task of purchasing the necessary equipment into the hands of Turner Logistics, a stand-alone company that operates independently of Turner Construction. The proposal has been reviewed by District Legal Counsel Douglas Buchanan, Esq., who has recommended minor changes be made to the agreement. Following discussion it was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the proposed agreement with Turner Logistics including the changes recommended by District Legal Counsel.

CONNECTOR BETWEEN IMAGING BUILDING AND HOSPITAL BUILDING

Mr. Halfen called attention to a change order from Turner Construction to facilitate construction of the connector between the new imaging center and the main hospital building. The order will allow for construction of the connector per direction from the Office of Statewide Healthcare Planning and Development (OSHPD). The cost of the change order is

within the budgeted allowance, and construction of the connector is the final hurdle to completion of the new imaging center. It was moved by Ms. Hubbard, seconded by Doctor Clark, and passed to ratify the change order with Turner Construction for the connector to the new Radiology building as presented.

APPROVAL OF
RADIOLOGY
PURCHASE, FLASH
LITE IIP

PACS Administrator Bill StJean called attention to a proposal to purchase Flash Lite IIP Radiology equipment. The equipment was budgeted for within the PACS budget, however the purchase was delayed in the hope that the cost would go down in a relatively short amount of time. The price of the equipment has decreased 38%, bringing the new purchase price to a total of \$66,718. Following discussion it was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve the purchase of the Flash Lite IIP Radiology equipment as proposed.

AINSWORTH
AGREEMENT

Mr. Halfen called attention to a proposed agreement with Ainsworth Associates for mechanical engineering peer review and construction administration services for Phase II of the building project. The proposal allows for Ainsworth to act as construction consultants for Phase II in order to avoid potentially costly errors on the part of the design architects similar to those experienced in Phase I of the building project. Phase II will be much more complicated than Phase I, and bringing Ainsworth on board should help to significantly decrease errors in that portion of the project. It was moved by Doctor Clark, seconded by Doctor Ungersma, and passed to approve the agreement for mechanical engineering consultation services with Ainsworth Associates as presented.

LANGUAGE SERVICES
REPORT

Interpretive services manager Jose Garcia reported on the activity of the Hospital's Language Services program during the months of September, October, and November of 2007. Mr. Garcia reported a total of 256 language services sessions taking place during these three months, and he additionally stated he feels not all sessions are currently being reported. Language services were provided in Spanish, Korean, and Mandarin, with 206 sessions involving interpreters and 50 sessions involving use of the language line. Language services at NIH are still in the process of being expanded and improved upon, and Mr. Garcia feels the program is progressing in very positive ways. Doctor Clark thanked Mr. Garcia for his hard work and expressed his opinion that Mr. Garcia's presence has been very beneficial to the hospital.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any members of the Board of Directors wished to report on any items of interest. He also noted that the Northern Inyo Hospital Foundation's annual fundraising event has been named "Ground Hog A-Go-Go" this year, and it will be held on February 9 at the Tri-County Fairgrounds. No other board member 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 address the Board of Directors on items of interest. No comments were heard.

CLOSED SESSION

At 6:32 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. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of real property (Government Code Section 54956.8).
- C. Instruction of negotiator regarding price and terms of payment for the purchase, sale, exchange, or lease of a second real property (Government Code Section 54956.8).
- D. Discussion with counsel of pending litigation and whether or not the District shall initiate litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- E. Discussion with counsel of pending litigation and whether or not the District shall initiate a second litigation. This discussion will be held under the authority of Government Code Section 54956.9(c).
- F. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).
- G. Conduct CEO Annual Performance Evaluation (Government Code Section 54957).

OPEN SESSION

At 7:10 p.m., the meeting was returned to open session. Mr. Watercott announced the Board took no reportable action.

PUBLIC COMMENT

Mr. Watercott again 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.

ADJOURNMENT

The meeting was adjourned at 7:14 p.m.

Peter Watercott, President

Attest:

Michael Phillips, M.D., Secretary