

- CALL TO ORDER The meeting was called to order at 5:35 p.m. by Peter Watercott, President.
- PRESENT Peter Watercott, President
Michael Phillips, M.D., Secretary
John Ungersma, M.D., Treasurer
M. C. Hubbard, Director
Jeff Brown, PharmD, Director
Richard Nicholson, M.D., Chief of Staff
- ALSO PRESENT John Halfen, Administrator
Douglas Buchanan, Esq., District Legal Counsel
Sandy Blumberg, Administration Secretary
- 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 September 17 2008 regular meeting and the September 25 special meeting were approved.
- ADMINISTRATOR'S
REPORT Mr. Halfen welcomed Jeff Brown to the Northern Inyo Hospital (NIH) District Board of Directors. Mr. Brown has agreed to serve out the remainder of Dr. Clark's term for District Zone IV, and Board members expressed their gratitude for his service. Doctor Clark plans to run for re-election to the Zone IV vacancy in November 2008.
- WELDOME TO NEW
DIRECTOR
- FINANCIAL AND
STATISTICAL REPORTS John Halfen, Chief Financial Officer reviewed with the Board the financial and statistical reports for the month of August 2008. Mr. Halfen noted the statement of operations shows a bottom line excess of revenues over expenses of \$833,480. Mr. Halfen called attention to the following:
- *Inpatient and outpatient service revenue were significantly over budget*
 - *Total expenses were close to budget*
 - *Salaries and wages were under budget*
 - *Employee benefits and professional fees expense were both over budget*
 - *The Balance Sheet showed no significant change*
 - *Year-to-date net income is \$1,068,483*
- Mr. Halfen noted patient revenue was high during the month of August but appears to have returned to normal in the month of September. Mr. Halfen also reported he has moved some of the hospital's investments in order to ensure their availability when needed to help fund the hospital rebuild project. He also stated in spite of volatile market conditions the hospital's investments remain stable and have little risk exposure at this

time. He noted the average number of days accounts are in receivables is 56 days, and reported that he recently presented the District's case for upgrading the hospital's bonds to an "A" rating to Standard and Poors Incorporated. Mr. Halfen also reported the District has a certain amount of flex time in which to issue the general obligation bonds, and if necessary he may wait several months to do the bond issue in hopes of seeing an improvement in market conditions. 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 August as presented.

BUILDING REPORT

Mr. Halfen reported there is no change to the status of the building project and the Hospital is still waiting for the Office of Statewide Healthcare Planning and Development (OSHDP) to approve the design plans for the rebuild. At this time the estimate for the start of demolition of the original hospital building is mid-November. Mr. Halfen noted there will be a demonstration of 3-D modeling for the new hospital building at the next regular meeting of the District Board.

RED FLAG REGULATIONS

Mr. Halfen reported the hospital has received notice that Red Flag Regulations are expected to apply to District hospitals, and they will require Districts to adopt certain measures to be taken in the event of suspected identity theft or fraud involving patient accounts.

UPDATED CAMPUS MAP

Mr. Halfen referred to an updated NIH campus map which shows the current locations of patient services, hospital entrances, and available parking. The campus map will continue to be updated throughout Phase II of construction.

CHIEF OF STAFF REPORT

Chief of Staff Richard Nicholson, M.D. reported the NIH Medical Staff has nothing new of significance to report at this time.

OLD BUSINESS

REAFFIRMATION OF NEGOTIATOR

Mr. Halfen asked for reaffirmation of himself as negotiator regarding the potential acquisition of real property at 2857 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 2296 N. Sierra Highway, Bishop, California. Negotiation will be with owner of said property. It was moved by Dr. Ungersma, seconded by Ms. Hubbard, and passed to approve the reaffirmations of the negotiator as requested.

NEW BUSINESS

POLICY AND PROCEDURE MANUAL APPROVALS

Mr. Halfen referred to the following Hospital Policy and Procedure manuals which were presented to the District Board for annual approval:

1. Laboratory
2. Pharmacy
3. Anesthesia
4. Pathology

Mr. Halfen noted the District Board has previously approved all policies and procedures included in these manuals. It was moved by Ms. Hubbard, seconded by Doctor Ungersma, and passed to approve all four policy and procedure manuals as presented.

APPROVAL OF 2008
AUDIT

Mr. Halfen referred to the financial audit for fiscal year 2008 received from K.C. Miller, CPA. The audit approved the hospital's financial statements for the year with no adjustments needed, a compliment to the efforts of NIH Controller Carrie Petersen. It was moved by Jeff Brown, seconded by Doctor Ungersma, and passed to approve the audit of the financial statements for fiscal year 2008 as presented.

RENTALS ON
HOSPITAL PROPERTY

Mr. Halfen opened discussion on possible options to rent available office space located on hospital property. The hospital is currently holding open a doctor's "swing" office which is available for use by physicians transitioning into this area. David Greene, M.D. is interested in renting that vacant modular building, and while Mr. Halfen would like to do that he is concerned that if the available space is gone it may impede the District's ability to attract new physicians to the area. Asao Kamei, M.D. noted that his office has available space at this time and that other space might also be found for incoming physicians without using the vacant modular building. Following discussion the Board expressed its desire to rent the property to Doctor Greene in light of his years of service to the District and the local community. Mr. Halfen will proceed with drafting a proposed agreement to rent the modular building to Dr. Greene.

LEASE BACK
AGREEMENT, 152-F
PIONEER LANE

Mr. Halfen called attention to the following proposed lease agreements submitted for approval of the District Board:

- Lease back agreement with Pioneer Medical Associates for NIH to lease 152 Pioneer Lane, Suite F
- Lease back agreement between NIH and D. Scott Clark, M.D. to lease back 152 Pioneer Lane, Suite F to Doctor Clark
- Lease back agreement between NIH and Doctors Alice Casey, M.D. and Clifford Beck, M.D. to lease back 152 Pioneer Lane Suite H to Doctors Beck and Casey

It was moved by Doctor Ungersma, seconded by Ms. Hubbard, and passed to approve all three lease agreements as presented.

BOARD MEMBER
REPORTS

Mr. Watercott asked if any member of the Board of Directors wished to report on any items of interest. Doctor Ungersma reported he recently attended the annual meeting of the Association of California Hospital Districts (ACHD), and that he has been elected to the ACHD Board of Directors for a term of three years. The Board congratulated Doctor Ungersma on his election.

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 any items on this agenda and/or on any items of interest. No comments were heard.

CLOSED SESSION

At 6:26 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 two real properties (Government Code Section 54956.8).
- C. Confer with legal counsel regarding pending litigation against the District by an employee (Government Code Section 54956.9(a)).

RETURN TO OPEN
SESSION

At 6:44 pm the meeting was returned to open session. Mr. Watercott reported the Board took no reportable action.

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. No comments were heard.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m.

Peter Watercott, President

Attest:

Michael Phillips, M.D., Secretary