

Date: February 24, 2010
Time: 1:00 P.M.
Location: Mayers Memorial Hospital
Burney, California

(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)

<p>1. CALL MEETING TO ORDER: President Kerns called the regular meeting to order at 1:00 p.m. on the above date with the following present:</p> <p style="text-align: center;">Mike Kerns, President Gail McClung, Secretary Jim Hamlin, Vice President Allen Albaugh, Treasurer</p> <p>Staff Present: Viola Babcock, CFO; Terry Pena, Interim CEO; Marlene McArthur, Clerk to the Board.</p>
<p>2. ADDITIONS & CHANGES TO AGENDA, SECTION 54954.2(b)2:</p> <p>Kerns announced receipt of letter from Ruth Knoch resigning as board director effective 2.16.10. He further announced at Ruth's request there will be no formal social event honoring her for her 32-years of service however welcomed "thank you" cards addressed to Ruth. Hamlin praised Ruth for the huge commitment to be on hospital board of directors and doubts to see another board member serve that long—<i>"what would we do for those not willing to serve community service?"</i></p> <p>Kerns announced the "vacancy" position on the board will be posted as per the Election Code and that information will be included in both newspapers. Letters of interest are to be addressed to the BOD and must be received by March 15th.</p> <p>President Kerns discussed a number of issues in the press recently and made note to one particular incident involving the unfortunate death of an Alzheimer's patient. He extended sympathy and prayers on behalf of the board—and also communicated that extensive training has been provided relating to that particular incident to provide the highest quality care possible at Mayers.</p>
<p>3. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:</p> <p>Martha Lucero-Fletcher registered to speak to agenda items: 1) Items 6.2.1 pertaining to cost of seismic wall and timeline for \$70 million.</p>
<p>4. APPROVAL OF MINUTES – <i>A motion/second (Hamlin/McClung) to accept, as presented, the minutes of the special meetings held: 1/29/10, 2/5/10, 2/16/10 and regular meeting held 1/27/10. M/S/C.</i></p>
<p>5. Board Chair Report:</p> <p>Kerns reported a meeting took place this morning with Fruit Growers regarding current land lease that houses the Burney facility. Another meeting will be planned in April where there will be more details to report.</p> <p>Preliminary meetings held with Renown & CHW North State have been held, reported Kerns, and a third party, Prime Healthcare Services, is scheduled tomorrow at 4 p.m. Once that meeting has taken place and there is something of substance to report the issue will be placed as an agenda topic for discussion. The meetings thus far have included facility tour and exchanging info and data. Hamlin clarified that there are no commitments from either party at this time and more details are to follow and will be available to the community.</p> <p>Kerns reminded board members to submit California Form 700s (Conflict of Interest) filings.</p>

6. BOARD COMMITTEES:

6.1 Board Finance:

6.1.1 January 2010 Financials: CFO Babcock provided overview of the January 2010 pro forma financial reports including explanation of report format change. Discussion followed. In response to question regarding variance in IMRS rentals compared to December's actual, Babcock will research reason for variance. She reported the cost savings measures will not impact financials until February. ***A motion/second (McClung/Hamlin) was made to accept the January 2010 financial reports as presented. M/S/C.***

6.1.2 Board Finance Committee Report: Albaugh reviewed the current financial status of the District, and with that position at hand, explained it was Cal-Mortgage who approached the Board members by written correspondence asking them to consider partnering entities: Renown, CHW, and Prime. Since there was a misconception how the events transpired, he stated that these are the steps taken to-date, clarifying the role of Cal-Mortgage and how the District board is addressing the request presented by Cal-Mortgage. Ultimately, upcoming decisions will be based on what we can afford and what is best for the community and District concluded Albaugh.

6.1.3 Amend Cal-Mortgage Payment Schedule: Due to the fact that the District is unable to make the bond payments as planned and per the adopted payment schedule, ***a motion/second (Albaugh/Hamlin) was made to rescind the motion approving the Cal-Mortgage bond payment schedule approved by the BOD at its December 2009 regular meeting.***

6.2 Strategic Planning:

Kerns reported there was no Board Strategic Planning Committee meeting last month however received offer from architects to meet with the board and IHF (Foundation) Board as well as the public to walk through specific set of requirements for seismic issues they developed as seismic compliant alternatives. Discussion followed. It was agreed to hold a special board meeting March 13th, 10-2pm. He added the ANOVA and Blackbird architects requested Saturday so that they could make the presentation pro bono. Public Comment by Martha Fletcher: Kerns noted that her comment regarding cost to meet seismic wall is smallest of the issues but the most urgent and will be addressed during the March 13th meeting. The 2020 deadline is for Phase I of the Master Facility Plan (MFP). Fletcher asked if the \$131 million MFP can evolve into something different than what was already approved and if so what would that facility look like. Kerns noted the presentation is to include manageable steps with cost estimates that do preclude us continuing on to building a fully modern adjacent facility that functions as we would have hoped. Kerns concluded that questions pertaining to this issue can be asked during the planned special meeting—and we are hopeful to get direction then regarding the matter from ANOVA/Blackbird.

6.3 Quality Committee:

6.3.1 Internal Complaint Policy (reference in Employee Handbook): Kerns reported the grievance policy brought before the committee is essentially the same policy but the vocabulary has been changed from "grievance" to "internal complaint" so that the approved Employee Handbook can be implemented. ***A motion/second (McClung/Albaugh) approved the Internal Complaint Policy as presented. MSC.***

6.3.2 CEO Job Description: ***A motion/second (Hamlin/Albaugh) was made to approve the CEO Job Description as presented. MSC.***

7. OPERATIONS REPORT: Kerns reported the written operations report is included in board packet for perusal. Pena reported regulation specifies where the hospital does not have to have to

obtain a Nursing Home Administrators license as previously interpreted by administration. It is a requirement for stand-alone SNF facilities but exempts Mayers due to distinct-part SNF. She verified her interpretation of the regulation with Licensing and Certification and it was confirmed. Mayers' staff had started process to take federal and state exams but has been discontinued.

Pena reported good news...

While the State was making on-site inspection due to citation, they also conducted survey with H1NI and Mayers passed survey due to efforts of Infection Control group and no deficiencies found for HINI program.

Community Needs Assessment Forums: Hamlin recommended community forums to obtain input from the communities due to the critical juncture the District at currently. The input would be useful knowing what essential services are desired—and the dialogue exchange is necessary. Kerns added that the forums would provide an opportunity to inform community members of the services currently offered that possibly they are not aware of. McClung suggested survey forums had been used in the past that could also be considered. Hamlin concluded that it is his belief that SNF is a huge asset to the communities—and OB services is critical due to distance—these are the issues that need communicated with community members. Pena suggested visiting other similar organizations to network and to get a broader observation—including staff.

8. ANNOUNCEMENT OF CLOSED SESSION (2:10 pm Recess/2:40 p.m. Closed Session)

President Kerns announced closed session for the purpose of the following:

1. Pending litigation pursuant to Government Code Section 54956.9. (Nothing to report)
2. Discuss and review quality assurance issues and consider approving medical staff credentials pursuant to Government Code Section 54962.
3. Personnel, Employee (CEO) Evaluation, pursuant to Government Code Section 54957.

9. RECONVENE – REPORT OF CLOSED SESSION ACTION(S): President Kerns reported the following actions taken in closed session:

- Approved M/S/C unanimously: Closed session minutes 1.27.10/1.30.10/2.5.10/2.16.10
- Approved M/S/C unanimously: Medical staff credentials as listed below:

**MEDICAL STAFF
REAPPOINTMENT**

1. Edward Richert, MD

**MEDICAL STAFF
APPOINTMENTS**

1. Doug Dalitz, CRNA
2. Rhett Wigger, CRNA

**MEDICAL STAFF STATUS
CHANGE**

1. Gary Pontrelli, MD

- Motion Tabled: Medical staff credentials for Lawrence Milne, MD.

10. ADJOURNMENT: The Board of Directors adjourned at 4:50 p.m.