

P.O. Box 455
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**REGULAR MEETING
Sutton County Hospital District
January 14, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, January 14, 2013 at 6:00PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Lance Castro, Vice-President
Lenora Pool
Gary Leonard
Sharon Holman
Virginia Epps
Edward Earwood

Also present: Keith Butler, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark Edwards MD.

Lance Castro called the meeting to order at 6:15PM.

Virginia Epps moved to approve the minutes from the regular meeting of December 10, 2012. Gary Leonard seconded the motion and all voted in favor.

There was no report from the Sutton County Appraisal District.

Keith Butler reported the forty-five average days to collection for the accounts receivable accounts. The revenue has been very steady with the flu season starting early this season. He also reported the topographical survey has been completed on the property at the end of east 2nd street. He will meet with Rick Burnight with O'Connell and Robertson Architects on Wednesday of this week to discuss plans. The hospital has started the installation of Omni-Cell for the vending of central supply and pharmacy items. The district has placed the order for new digital x-ray equipment as proposed the 3-year capital budget. The hospital will also be upgrading the CPSI system to include Phys-Doc a new physician documentation program.

Michelle Schaefer reviewed the financials for November 30, 2012. No changes were noted on the balance sheet. Net patient revenue was \$1.9M above of our YTD budget. Noted expenses included ER contracted services; treatment room supplies; laboratory equipment; radiology contracted services; student physician school; administrative contracted services; operations employee benefits; operations equipment and medical clinic building repair.

Gary Leonard moved to approve the January expenditures. Lenora Pool seconded the motion and all voted in favor.

There were no visitor comments.

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Sutton County Hospital District
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Virginia Epps praised our facility and patient care as compared to the services she recently received at a tertiary facility recently.

Lenora Pool moved, Virginia Epps seconded, to adjourn at 6:43 pm.



Lance Castro, Vice-President

ATTEST:



Michelle Schaefer, Board Secretary

**REGULAR MEETING
Sutton County Hospital District
February 11, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, February 11, 2013 at 6:00PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Lance Castro, Vice-President
Gary Leonard
Sharon Holman
Virginia Epps
Edward Earwood

Also present: Keith Butler, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark Edwards MD.

Lance Castro called the meeting to order at 6:15PM.

Sharon Holman moved to approve the minutes from the regular meeting of January 14, 2013. Virginia Epps seconded the motion and all voted in favor.

There was no report from the Sutton County Appraisal District.

Sharon Holman read the minutes from the Processing Improvement and Medical Staff meetings. (Exhibit A)

Gary Leonard moved to approve Armor Sarraj MD, John Gray MD, Gregory Bell MD, Simon Carlson MD, Peter Chang MD, Sina Meisamy MD, Kristin Casey MD, Megan Bell MD and Constanza Gutierrez MD. Edward Earwood seconded the motion and all voted in favor. (Exhibit B)

Gary Leonard moved to approve the active staff and consulting staff as recommended by the medical staff. Virginia Epps seconded the motion and all voted in favor. (Exhibit C)

Keith Butler reported revenue was very good in January. Swing bed days are up and average days to collection is at forty-five. The Omni-cell will be installed the first of April. LMH employees are preparing for the installation now. The laboratory is installing micro equipment in order to perform cultures locally. The CR x-ray machine has arrived and will be installed this week. The old equipment will be put in the ER as a backup but we will not purchase a maintenance plan for it. No information has been received from the architects concerning the East Second street property. Keith and Lenora will be traveling to Andrews to see their senior housing units.

Michelle Schaefer reviewed the financials for December 31, 2012, unaudited. Interest for the CD's was accumulated in December. Net patient revenue for the month was well above the budget and YTD was \$1.8M above budget. Noted expenses included nursing school; nursing equipment;

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Sutton County Hospital District
February 11, 2013

medical records contracted services; all facility benefits; medical clinic equipment; mal-practice insurance and rental building repair. Additions to revenue included restricted contributions; tax revenue and EHR incentive revenue.

Sharon Holman moved to approve the February expenditures. Gary Leonard seconded the motion and all voted in favor.

There were no visitor comments.

Virginia Epps expressed concern about building in uncertain economic times, coupled with Keith's health. Gary Leonard conveyed the need to always make prudent decisions for the hospital district regardless of other circumstances. Sonora has a need for senior living and the district has put away sufficient funds to move forward.

Gary Leonard moved, Edward Earwood seconded, to adjourn at 7:11 pm.



Lance Castro, Vice-President

ATTEST:



Michelle Schaefer, Board Secretary

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**REGULAR MEETING
Sutton County Hospital District
March 11, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, March 11, 2013 at 6:00PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Gary Leonard
Sharon Holman
Virginia Epps

Also present: Keith Butler, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark Edwards MD.

Preston Faris called the meeting to order at 6:28PM.

Virginia Epps moved to approve the minutes from the regular meeting of February 11, 2013. Sharon Holman seconded the motion and all voted in favor.

There was no report from the Sutton County Appraisal District.

Keith Butler reported average days to AR collection was at forty-seven. As of April 1st, 2013 Medicare will reimbursement will be cut by 2% due to the Congressional sequestration. The 1115 Wavier money continues to be in the approval stage, with many problems to be worked out by the Federal and State government. Keith also reported the new microbiology laboratory equipment was installed this week. LMH will now be able to perform cultures in house. The new x-ray CR system is now up and running as well. The Omni-Cell installation is on track for installation in April.

Michelle Schaefer reviewed the financials for January 31, 2013. The negative payroll taxes were due to the taxes being paid before the end of the month when the payroll was posted. Revenue was extremely good in January for room and board. Noted expenses included the following: RN salaries; ER equipment; EMS employee benefits; EMS equipment; radiology supplies; pharmacy supplies; administration dues/subscriptions; housekeeping contracted services; clinic salaries; clinic payroll taxes; clinic supplies; clinic miscellaneous and tax collection fee. A large portion of the tax revenue was received.

Sharon Holman moved to approve the March 2013 expenditures. Virginia Epps seconded the motion and all voted in favor.

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Sutton County Hospital District
March 11, 2013

Keith informed the board he would not be able to attend the April meeting.

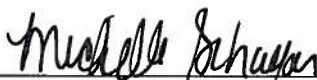
There were no board member comments.

Gary Leonard moved, Virginia Epps seconded, to adjourn at 7:15 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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**REGULAR MEETING
Sutton County Hospital District
April 8, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, April 8, 2013 at 6:00PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro

Also present: Michelle Schaefer, Board Secretary; Jon-Michael Parker, DON.

Preston Faris called the meeting to order at 6:19PM.

Gary Leonard moved to approve the minutes from the regular meeting of March 11, 2013. Virginia Epps seconded the motion and all voted in favor.

There was no report from the Sutton County Appraisal District.

Lance Castro moved to approve Indrani Acosta MD to the Consulting Staff. Leonora Pool seconded the motion and all voted in favor.

Jon-Michael Parker reported seven people attended the quarterly nursing committee meeting. Topics discussed were Meaningful Use statistics, trauma flow sheet, continuing education, flu season was considered over and signs for children visitation were taken down, and the purchase of new equipment (EZ I&O and blood warmer).

Keith Butler was not able to attend this regular meeting.

Michelle Schaefer reviewed the financials for February 28, 2013. New to the balance sheet included building in process for microbiology equipment, an increase in CD's and other payable. Net patient revenue remains very steady. Noted expenses include: nursing education; ER education; ER contracted services; pharmacy supplies; medical records contracted services; clinic employee benefits and clinic misc expense. Tax revenue collected in February was up and miscellaneous income was low due to UPL/1115 Waiver funding.


Lance Castro moved to approve the April 2013 expenditures. Lenora Pool seconded the motion and all voted in favor.

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April 8, 2013

There were no visitor comments.

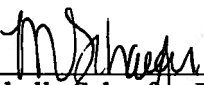
Lenora Pool stated she had been contacted by people from the community about the possibility of nepotism with the hiring of Emily and Evan Foxworth. Gary Leonard and Lance Castro also noted they had been contacted. General discussion was held concerning nepotism, giving Keith direction for hiring his replacement and progressing with the senior living facility.

Gary Leonard moved, Lance Castro seconded, to adjourn at 7:15 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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SPECIAL MEETING
Sutton County Hospital District
May 6, 2013

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, May 6, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary; Jim Kosub, Attorney at Law; Mark Edwards, MD; Dink Nichols; Becky McAngus; Joe Marshall; Danny Curtis and a crowd of visitors.

Preston Faris called the meeting to order at 6:00PM.

The board moved into executive session at 6:05 pm. for discussion of agenda item 2 section 551.074 of the Texas Government Code to investigate personnel terminations and resignations from EMS. The board concluded executive session at 8:15 pm.

Following a ten minute break to allow the public to re-enter the meeting the board reconvened in open session at 8:25 pm. There was no action taken as a result of the executive session pursuant to section 551.074 of the Texas Government Code to investigate personnel terminations and resignations from EMS.

The board then proceeded to item # 3 on the agenda to consider revisions in personnel policy for the hospital. Keith Butler proposed the board hire a COO that would oversee the hospital department heads and with respect to the EMS department report directly to the Sutton County Hospital Board. This person would also work to assist Keith in the daily operations of the Sutton County Hospital District. Gary moved that the board hire a COO effective immediately. Virginia Epps seconded the motion and all voted in favor.

No action was taken regarding personnel vacancies at the EMS.

The board moved into executive session at 8:39 pm. to consider agenda item # 5 pursuant to section 551.074 of the Texas Government Code to discuss personnel action, if any, in regard to Hospital administrator, Keith Butler. Mr. Butler was advised of his right to have this discussion take place in open session and declined. The board concluded executive session at 9:16pm.


After a 3 minute break to allow the public to re-enter the meeting the board reconvened in open session at 9:19 pm. Lenora Pool moved to table any action pertaining to personnel action in regard to Keith Butler, CEO. Lance Castro seconded the motion. Those voting in favor were Lance Castro, Virginia Epps, Sharon Holman, Preston Faris and Lenora Pool. Those voting against were Edward Earwood and Gary Leonard. The motion was approved and action tabled.

Board President Preston Faris thanked the public for their attendance and adjourned the meeting at 9:20 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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**REGULAR MEETING
Sutton County Hospital District
May 13, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, May 13, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary; Clint Griffin, Attorney at Law; Mark Edwards MD; Charles Pajestka MD; Stacy Fisher and a few visitors.

Preston Faris called the meeting to order at 6:00PM.

Gary Leonard moved to approve the minutes with the following changes. Correct the spelling of "Lenora" in the April 8, 2013 regular meeting, paragraph five. From the May 6, 2013 special meeting, strike the last sentence from paragraph three, the second and third sentences from paragraph five and the last sentence from paragraph seven. Lance Castro seconded the motion and all voted in favor.

The Sutton County Appraisal District has released the appraised values for the 2013 tax year. (Exhibit A) The mineral values continue to fall, which will result in an increase in the effective rate.

Lenora Pool moved to approve George Reichel MD and Michael Kim MD to the consulting staff. Lance Castro seconded the motion and all voted in favor. (Exhibit B)

Financial audit review for December 31, 2012 was tabled until the next regular meeting at the request of BKD CPA's & Advisors. (Exhibit C)

Agenda item #6 was moved to between item #11 and 12.

Keith Butler reported the National Rural Health Association (NRHA) named Lillian M Hudspeth Memorial Hospital in the top 20 Critical Access Hospitals in the nation. He also reported the Department of Agriculture has granted our facility \$50,000, which will be used to upgrade our computer system. LMH was also granted \$2,500 for the purpose of PALS training. Keith gave an overview of the preliminary plans for the independent/senior living facility, as designed by O'Connell Robertson Architect. (Exhibit D) This project will take place over the next 3 years, with the design phase to begin in 2013. The accounts receivable report was also presented by Keith showing an average of 41 days to collection.

Michelle Schaefer presented the financial report as of March 31, 2013. Changes to the assets include an increase in the total of CD's to \$9M and the building in process for the Omnicell project. Net revenue for the month and year to date are standing well above the budgeted figures. Notable expenses included the following: nursing employee benefits; nursing supplies; ER supplies; EMS employee benefits; EMS supplies; laboratory supplies; physical therapy equipment; administration employee benefits; administration computer programming; medical records education; medical records contracted services; dietary salaries; wellness center equipment; clinic contracted services and building repairs.

Sharon Holman moved to approve the May 2013 expenditures. Edward Earwood seconded the motion and all voted in favor.

There was a ten minute break at 6:38 pm. The board then reconvened into executive session at 6:48 pm pursuant to section 551.074 of the Texas Government Code to discuss personnel action.

The board closed executive session at 7:38 pm and reconvened in open session with no action taken on the above agenda item # 11.

Lance Castro moved to approve the COO position (Exhibit E) as prepared by hospital attorney at the direction of the board to be effective as of the signature date. Edward seconded the motion. Those voting in favor were Preston Faris, Gary Leonard, Lance Castro and Edward Earwood. Those voting against were Sharon Holman, Lenora Pool and Virginia Epps. The motion carried.

Stacy Fisher made a visitor comments.

There were no board member comments.

Sharon Holman moved to adjourn at 7:54pm. Gary Leonard seconded the motion and the meeting was adjourned.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary



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SPECIAL MEETING
Sutton County Hospital District
May 29, 2013

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, May 29, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary; Jim Kosub, Attorney at Law; Jon-Michael Parker; Red Gerhart; Janice Clayton; Joe Marshall; Ben Taylor.

Preston Faris called the meeting to order at 6:00PM.

The board moved into executive session at 6:01 pm pursuant to section 551.074 of the Texas Government Code to discuss personnel compensation, interview COO candidates and discuss FNP position. The board concluded executive session at 9:13 pm.


The Board reconvened in Open Session at 9:14 pm with no action taken.

The meeting was adjourned at 9:15 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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**SPECIAL MEETING
Sutton County Hospital District
June 5, 2013**

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, June 5, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary; Jim Kosub, Attorney at Law; Jon-Michael Parker; Jody & Mary Beth Luttrell; Ken & Brooke Knight; Joe David Ross.

Preston Faris called the meeting to order at 6:00PM.

The board moved into executive session at 6:02 pm pursuant to section 551.074 of the Texas Government Code to discuss personnel compensation and discuss FNP position.

The Board closed Executive Session and reconvened in Open Session at 8:16 pm. Gary Leonard moved to accept a severance package for Keith Butler, CEO, to be written by hospital attorney Jim Kosub and approved at the next scheduled board meeting. Edward Earwood seconded the motion and all voted in favor.

Sharon Holman moved. Edward Earwood seconded to adjourn at 8:18 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

REGULAR MEETING
Sutton County Hospital District
June 10, 2013

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, June 10, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary; Deborah Whitley, BKD CPA LLP; Bob Pascasio; Mark Edwards; Clay Vogel; Mark Satchell; Betty Lawlis; Jon-Michael Parker; Emily Foxworth; Tamatha Humphrey; Noemi Samaniego; Ben Taylor; Joe Marshall; Becky McAngus; Carol Jarrett.

Preston Faris called the meeting to order at 6:07PM.

Lance Castro moved to approve the minutes with following changes. Change special meeting to regular meeting in the June 5, 2013 in the heading. From the May 13, 2013 minutes correct the spelling of "Stacy" in paragraph 13 and wording in the 8th paragraph to read "standing well above budget". Edward Earwood seconded the motion and all voted in favor.

There was no report from the appraisal district.

Deborah Whitley with BKD CPA, LLP gave a presentation on the results of the financial audit ending December 31, 2012. (Exhibit A)

Sharon Holman moved, Lenora Pool seconded, to table item 5. Sharon Holman, Lenora Pool and Virginia Epps voted for. Edward Earwood, Lance Castro and Preston voted against.

The board moved into executive session at 7:27 pm pursuant to section 551.074 of the Texas Government Code to interview CEO candidate.

The Board closed Executive Session and reconvened in Open Session at 9:02 pm and reconvened in open session with no action taken on the above agenda item #6

Item #8 was tabled.

Item #9 had no action.

Keith Butler reported AR days is at 41 and revenue for the month of May was \$1.1M. The Texas legislator did make in changes in the Medicaid programs. Keith also reported all HR positions had been filled except for the physical therapy position which PT director, Tim Bickford, is working on recruiting.

Michelle Schaefer reported on the financial ending April 30, 2013. Lease Payable remains a negative until the year end auditor's adjustments can be completed. Net patient revenue is on target with our projected budget. Negative other income is a result of the IGT funds sent for 1115 Waiver reimbursement. Noted expenses included the following: nursing aides salaries; nursing computer/dues; ER equipment; pharmacy supplies; administrative travel; administrative miscellaneous; administrative contracted services; dietary salaries; clinic supplies; clinic contracted services; clinic equipment; tax collection fee and building repairs. Additions to income included contributions from the SCHF and Tobacco Settlement.

Lance Castro moved to approve the June expenditures. Lenora Pool seconded the motion and all voted in favor.

Visitor comments were made by Sarah Teaff, per Jon-Michael Parker; Jon-Michael Parker; Tamatha Humphrey; Noemi Samaniego; Becky McAngus and Tim Thorp.

Preston Faris thanked the visitor comments.

Lenora Pool moved to adjourn at 9:30pm. Lance Castro seconded the motion.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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SPECIAL MEETING
Sutton County Hospital District
June 17, 2013

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, June 17, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Gary Leonard
Virginia Epps
Lance Castro
Edward Earwood
Sharon Holman

Also present: Keith Butler, CEO; Michelle Schaefer, Board Secretary.

Preston Faris called the meeting to order at 6:00PM.

Gary Leonard moved to approve severance package for Keith Butler, CEO. Edward Earwood seconded the motion. Gary Leonard, Edward Earwood, Lance Castro and Preston Faris voted for. Lenora Pool; Virginia Epps and Sharon Holman voted against. Motion carried. (Exhibit A)

The board moved into executive session at 6:10pm pursuant to section 551.074 of the Texas Government Code to discuss CEO candidate.

The board closed executive session and reconvened in open session at 7:14 pm. Lenora Pool moved to authorize Preston Faris to proceed with a CEO employment contract for Bob Pascasio. Sharon Holman seconded the motion and all voted in favor.

The board moved into executive session at 7:16pm for the purpose of reviewing the quarterly PI and Medical Staff meetings. (Exhibit B)

The board closed executive session and reconvened in open session at 7:23 pm. Lenora Pool moved to approve the policy and procedure manuals for the following departments: Nursing; Emergency Room; Pharmacy; Dietary; Medical Records; Radiology; Laboratory; Life Safety; Emergency Operations; Physical Therapy; RHC and EMS. Lance Castro seconded the motion and all voted in favor.

Preston Faris adjourned the meeting at 7:25 pm.

A handwritten signature in blue ink that reads "Preston R. Faris". The signature is written in a cursive style and is positioned above a horizontal line.

Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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REGULAR MEETING
Sutton County Hospital District
July 08, 2013

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, July 08, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Lance Castro
Edward Earwood
Sharon Holman
Gary Leonard

Also present: Robert A Pascasio, CEO; Michelle Schaefer, Board Secretary; Mark Edwards; Joe David Ross; Clay Vogel; Betty Lawlis; Jon-Michael Parker; Kristy Edwards; Beckie Sullivan; Chris Hall; Meredith Earwood.

Preston Faris called the meeting to order at 6:00PM.

Lance Castro moved to approve the minutes with the following changes. Correct the spelling of "budget" in the second paragraph of the June 10th meeting. Add the following statement to the sixth paragraph of the special meeting, "Lance Castro seconded the motion and all voted in favor". Lenora Pool seconded the motion and all voted in favor.

Michelle Schaefer reviewed the financials ending May 31, 2013. The December 31, 2012 year-end adjustments have been made in accordance with BKD, CPA LLP: reduction in allowance for accounts receivable; new allowance for uncollectable tax revenue; prior year's building-in-process to asset accounts and adding capital purchase to the depreciation schedule. Other noted changes in the balance sheet include payable accounts for 2013 capital purchases and leases payable for the Xerox copiers. Net patient revenue for May was slightly down but on target for year to date. Noted expenses included: EMS salaries; EMS equipment; laboratory supplies; laboratory contracted services; blood expense; PT salaries; pharmacy supplies; administration contracted services; dietary salaries; respiratory therapy employee benefits; wellness center equipment; clinic contracted services; insurance expense. Additions to revenue included EHR incentive payment; 1115 Waiver IGT and payment; restricted contributions.

Sharon Holman moved, Lance Castro seconded, to approve July expenditures. All voted in favor.

Bob Pascasio expressed his appreciation for the opportunity at Hudspeth Memorial and to be in Sonora and advised that his CEO reports will begin in August.

The board moved into executive session at 6:24 pm.

The board closed executive session and reconvened in open session at 8:02 pm. Lenora Pool moved to approve the PI and Medical Staff reports. (Exhibit A) Lance Castro seconded the motion and all voted in favor.

Lance Castro moved to approve Daniel Lankford, MD (Exhibit B) to the consulting staff. Gary Leonard seconded the motion and all voted in favor.

Edward Earwood moved to authorize the CEO and corporate counsel to finalize a certain personnel agreement. Lance Castro seconded the motion and all voted in favor.

Gary Leonard moved to allow Robert Pascasio, CEO to pursue grants for the Sutton County Hospital District with the agreement the board will be informed before final approval. Lenora Pool seconded the motion and all voted in favor.

Lenora Pool moved to allow Robert Pascasio, CEO to approve purchases up to \$50,000 over budget for non emergent needs and authorized Robert Pascasio unlimited purchase approval in emergency situations. Lance Castro seconded the motion and all voted in favor.

There was no information available for item #8; therefore this item will be tabled until the next scheduled meeting.

Lenora Pool moved to accept the collection agreement with the Sutton County Appraisal District. (Exhibit C) Lance Castro seconded the motion and all voted in favor.

Sharon Holman moved to appoint Robert Pascasio as agent for the Sutton County Hospital District, including granting signature authority on the accounts of the district. Edward Earwood seconded the motion and all voted in favor.

Edward Earwood moved to adjourn at 8:20 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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REGULAR MEETING
Sutton County Hospital District
August ~~July~~ **08, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, August 12, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Lance Castro
Edward Earwood
Virginia Epps
Sharon Holman
Gary Leonard

Also present: Robert A Pascasio, CEO; Michelle Schaefer, Board Secretary; Joe David Ross; Noemi Samaniego and Mark Wade.

Preston Faris called the meeting to order at 6:06PM.

Joe David Ross thanked the board for doing a good job as reported by the financial report posted in the Devil's River News.

Lance Castro moved to approve the minutes of the regular meeting of July 8th, 2013. Edward Earwood seconded the motion and all voted in favor.

Michelle Schaefer reviewed the financials ending June 30, 2013. General overview of the building in process accounts being Phys Doc, CPSI server upgrade, Omnicell; and Fisher Micro Lab. Patient revenue was down for the month but on track for the year to date. Noted expenses included: ER subscriptions/computer supplies; EMS equipment; EMS depreciation; laboratory contracted services; Radiology contracted services; radiology equipment expense; PT salaries; administration salaries; administration payroll taxes; administration contracted services; medical records contracted services; dietary salaries; operations employee benefits; clinic supplies; clinic education/travel; clinic contracted services; clinic equipment; all employee benefits; and insurance expense. Additions to revenue included UC payment from 1115 Waiver Program.

Edward Earwood moved to approve the August expenditures. Gary Leonard seconded the motion and all voted in favor.

CEO Report. (Exhibit A)

The board did not move into executive session.

On the item regarding engaging an architect for the Senior Living project, Pascasio discussed that which had been accomplished to date; including the acquisition of property for the project and that the only thing still missing to support a determination on whether to move forward is a solid estimate of project cost. Gary Leonard moved to allow Robert Pascasio to get a master plan for the senior livings facility from O'Connell Robertson Architect, subject to a \$28,000 cap. Lance Castro seconded the motion and all voted in favor.

Pascasio, as requested, then presented a new organization chart as well as Administrator-in-Charge statement and posting, advising the Board that the proposed structure had been developed along traditional healthcare/hospital organization lines, compartmentalizing the various operating areas. He continued that he did want to do one last bit of "wordsmithing" on the Administrator-in-Charge statement to insure all knew that such would only come in to play when the administrator could not be reached. Lenora Pool moved, Edward Earwood seconded, to approve the Chain of Command grid and Administrator-in-Charge statement; as well as rescind the previously approved COO position. (Exhibit B) Lance Castro, Sharon Holman, Edward Earwood and Gary Leonard voted in favor. Virginia Epps voted against.

Pascasio discussed with the Board the timing of the most recent strategic planning project and the potential need to engage a professional marketing firm. Virginia Epps moved, Sharon Holman seconded, to allow Robert Pascasio to obtain proposals from an external marketing agency as well as from an external consultant for a strategic plan for the Sutton County Hospital District. All voted in favor.

The next item on the agenda was a request to construct separate female sleeping quarters at the EMS station. Lenora Pool suggested that there might be additional needs at the station that should be considered. Pascasio advised that he'd research Mrs. Pool's comments and proceed accordingly. No action was taken.

Pascasio then introduced Mark Wade with Integrated Healthcare Strategies. Wade presented material to the board providing an overview of his company and services that they offer and then proceeded to discuss the legal and fiduciary duties of a Board. The discussion included areas of concern for hospital boards, looming changes due to the Affordable Care Act and Board - CEO relations. Chair Preston Faris thanked Wade for his time and presentation. No Action was taken.

Pascasio presented a preview of the 2014 Budget draft and 3-year Capital Budget, reminding the Board that action would need to be taken at the September meeting(s) on this as well as the tax rates. (Exhibit C)


Robert Pascasio explained to the board he would like to hire an outside company to perform a survey for our charges as compared to other facilities in our area and a salary survey. The board was in agreement these surveys would be helpful.

Gary Leonard moved to adjourn at 8:14 pm.


Preston Faris, President

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Sutton County Hospital District
August 12, 2013

ATTEST:



Michelle Schaefer, Board Secretary

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**SPECIAL MEETING
Sutton County Hospital District
September 16, 2013**

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, September 16, 2013 at 6:00PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Lance Castro
Virginia Epps
Sharon Holman
Gary Leonard

Also present: Robert A Pascasio, CEO; Michelle Schaefer, Board Secretary; Joe David Ross; Noemi Samaniego and Jon-Michael Parker.

Preston Faris called the meeting to order at 6:00PM.

Robert Pascasio introduced the EMS Director, John Phelps.

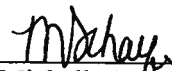
Discussion was held concerning the 2014 Operating Budget and the 2014 Capital Budget. Gary Leonard moved to approve the 2014 Operating Budget and the 2014 Capital Budget as presented. (Exhibit A) Lance Castro seconded the motion and all voted in favor.

The meeting was adjourned at 6:38 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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**REGULAR MEETING
Sutton County Hospital District
September 16, 2013**

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, September 16, 2013 at 6:39PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Lance Castro
Virginia Epps
Sharon Holman
Gary Leonard

Also present: Robert A Pascasio, CEO; Michelle Schaefer, Board Secretary; Joe David Ross; Noemi Samaniego and Jon-Michael Parker.

Preston Faris called the meeting to order at 6:39PM.

Lance Castro moved to approve the minutes of the regular meeting of August 12th, 2013. Lenora Pool seconded the motion and all voted in favor.

Michelle Schaefer reviewed the financials ending July 31, 2013. No changes were noted on the balance sheet. Patient revenue was down for the month but on track for the year to date. Noted expenses included: nursing supplies; nursing education/travel; EMS contracted services; EMS dues/subscriptions/computers; physical therapy contracted services; administration salaries; administration benefits; administration dues/subscriptions/computers; and clinic supplies. Additions to revenue included an IGT payment for the 1115 Waiver Program and SHIP grant.

Sharon Holman moved to approve the August expenditures and to accept the financial report for 07/31/13. Virginia Epps seconded the motion and all voted in favor.

CEO Report. (Exhibit A)

The board moved into executive session at 7:18 PM.

The board reconvened into open session at 7:47 PM. Lance Castro moved and Lenora Pool seconded to accept the reports given in closed session.

Bobby Zesch with Zesch & Pickett Ins presented to the board the current policy for medical coverage and discussed different options. (Exhibit B) Lenora Pool moved to keep the current BCBS (M914) medical plan for the district. Sharon Holman seconded the motion and all voted in favor.

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Sutton County Hospital District
September 16, 2013

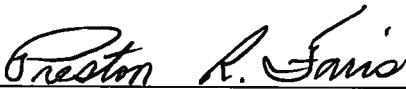
No action was taken on agenda item #9. The board requested Robert Pascasio send a RTP to Mark Wade with Integrated Healthcare Strategies for a bid on strategic planning. Gary Leonard moved to request a short presentation from Audience Generations, Mind Ecology and SRJ Marketing at a meeting in October. Sharon Holman seconded the motion and all voted in favor.

Gary Leonard moved to set the 2014 Sutton County Hospital District tax rate at 0.16198. Lenora Pool seconded the motion and all voted in favor.

Gary Leonard moved to approve the following policies: Employee Travel (Exhibit C); Wellness Center Employee Membership (Exhibit D); and Employment References (Exhibit E). Lenora Pool seconded the motion and all voted in favor.

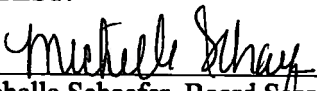
Discussion was held concerning working with local governmental agencies to perform CPR training. The Community Paramedicine Program and progress made was also discussed. Notice was also give about the annual SCHF Fish Fry, October 6th, at the Sonora Bank.

Gary Leonard moved to adjourn at 8:46 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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**SPECIAL MEETING
Sutton County Hospital District
September 30, 2013**

The special meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, September 16, 2013 at 5:30PM in the wellness center multipurpose room at LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Lenora Pool
Edward Earwood
Virginia Epps
Sharon Holman
Gary Leonard

Also present: Robert A Pascasio, CEO; Michelle Schaefer, Board Secretary; Sarah Teaff; Joe Marshall and Jon-Michael Parker.

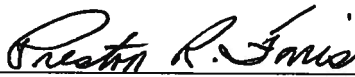
Preston Faris called the meeting to order at 5:31PM.

Darren Drewitz and David Drewitz with Mind Ecology gave a presentation on their marketing program.

Steven Jolly with SRJ Marketing Communications, LLC gave a presentation on his marketing program.

Matt Wayne and Marilyn Holman with Audience Generation gave a presentation on their marketing program.

Sharon Holman moved to adjourn at 8:41 pm.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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REGULAR MEETING
Sutton County Hospital District
October 14, 2013

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, October 14, 2013 at 6:00 PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Sharon Holman
Gary Leonard
Lance Castro
Edward Earwood
Virginia Epps

Also present: Robert Pascasio, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark Edwards; Jon-Michael Parker; Sarah Teaff; Chris and Michelle Hall; Kristy Edwards; and Joe David Ross.

Preston Faris opened the meeting at 6:00 pm.

There were no visitor comments.

Virginia Epps moved to approve the minutes from the budget hearing of September 16, 2013 meeting; the regular meeting of September 16, 2013 and the special meeting of September 30, 2013. Lance Castro asked that the 1st sentence on page 2 be changed to "No action taken on agenda #9". Preston Faris asked that the meeting time in the heading of the regular meeting of September 16th be changed to 6:39PM. Gary Leonard seconded the motion and all voted in favor.

Michelle Schaefer reviewed the financial ending 08/31/13. The server upgrade was moved to fixed equipment. Patient revenue was down in all departments except RHC. Notable expenses include the following: ER contracted services; EMS education/travel; EMS equipment maintenance; laboratory supplies; radiology contracted services; and clinic supplies. Additions to income included contribution from Texas Department of Agriculture and 1115 Waiver payment for Uncompensated Care.

CEO report (Exhibit A).

The board moved into executive session at 6:26 PM

The board reconvened into open session at 7:21 PM.

Gary Leonard moved, Virginia Epps seconded, to instruct the CEO, to move forward with the hiring of a mid-level provider to work with Chris Hall MD. All voted in favor.

Lance Castro moved, to approve the minutes from the Process Improvement Committee and Medical Staff Meeting. Edward seconded the motion and all voted in favor.'

Lance Castro moved, Sharon Holman seconded, to designate surplus equipment and move forward with the selling or disposal of such items. All voted in favor.

Virginia Epps moved, Sharon Holman seconded, to authorize FY 2014 capital projects be moved to 2013 and proceed with the expenditures. All voted in favor.

Sharon Homan moved, Edward Earwood seconded, to approve Torch Management Services Inc, as the designated strategic planning company for the hospital district. Voting for were Sharon Holman, Edward Earwood, Lance Castro and Gary Leonard. Voting against was Virginia Epps. The motion carried.

Gary Leonard moved, Edward Earwood seconded, to approve Mind Ecology as the designated marketing agency for the hospital district. Voting for were Gary Leonard, Edward Earwood and Virginia Epps. Voting against were Sharon Holman and Lance Castro. The motion carried.

Virginia Epps moved to allow Robert Pascasio CEO to negotiate a contract with Charles Pajestka MD serving as EMS Medical Director. Sharon Holman seconded the motion. After some discussion, Edward Earwood moved to amend the motion to specify the payment not to exceed an amount of \$1,000 per month. Sharon Holman seconded the amendment. The amendment passed with Gary Leonard opposed. The motion passed unanimously.

Sharon Holman moved to approve the 2013 Tax Roll for the Sutton County Hospital District. Lance Castro seconded the motion and all voted in favor. (Exhibit B)

Robert Pascasio reported to the board that all rental property was on the tax rolls. General consensus of the board was to keep it this way.

Edward Earwood moved, Sharon Holman seconded, to adjourn at 8:37 PM.



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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REGULAR MEETING
Sutton County Hospital District
November 11, 2013

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, November 11, 2013 at 6:00 PM in the lobby of the old LMH Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Sharon Holman
Gary Leonard
Lance Castro
Lenora Pool

Also present: Robert Pascasio, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark Edwards; Jon-Michael Parker; Sarah Teaff; Noemi Samaniego and Kristy Edwards.

Preston Faris opened the meeting at 6:00 pm.

There were no visitor comments.

Lance Castro moved to accept the financial report, statistical report and CEO report and approve the minutes from the regular meeting of October 14, 2013, with an amendment to add Sharon Holman as a second on the motion by Virginia Epps to negotiate with Charles Pajestka MD as the EMS director. Gary Leonard seconded the motion. Voting for were Lance Castro, Gary Leonard, Lenora Pool and Preston Faris. Voting against was Sharon Holman. The motion carried.

Sharon Holman moved, Lenora Pool seconded, to approve the Organization Policy & Procedure Statements for Patient Discounts. All voted in favor.

Lenora Pool moved, Lance Castro seconded, to approve the TCDRS Plan Year 2014 with no changes. All voted in favor.

The board moved into executive session at 6:48 PM

The board reconvened into open session at 8:08 PM.

Lance Castro moved, Lenora Pool seconded, to approve the minutes from the Medical Staff and PI meetings as presented by Mark Edwards MD in executive session. All voted in favor.

Lenora Pool moved, Lance Castro seconded, to allow Robert Pascasio to initiate a discussion with Edwards County to provide health care to the citizens of that county. All voted in favor.

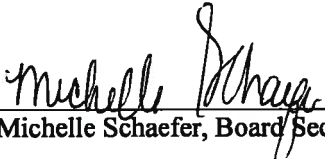
Gary Leonard moved to adjourn at 8:23 pm. Lance Castro seconded the motion.

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Sutton County Hospital District
November 11, 2013



Preston Faris, President

ATTEST:



Michelle Schaefer, Board Secretary

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REGULAR MEETING
Sutton County Hospital District
December 9, 2013

The regular meeting of the Sutton County Hospital District, Board of Directors, was held on Monday, December 9, 2013 at 6:00 PM in the multipurpose room at Lillian M Hudspeth Memorial Hospital, 308 Hudspeth, Sonora, Texas. The following board members were present:

Preston Faris, President
Sharon Holman
Gary Leonard
Virginia Epps
Lenora Pool
Edward Earwood

Also present: Robert Pascasio, CEO/Administrator; Michelle Schaefer, Board Secretary; Mark & Kristy Edwards, Buck & Susan Bloodworth, Bob Brockman, Chris & Michelle Hall, Kay Faris, Glen & Linda Fisher, John Friess, Clever T & Lola Beth Jones, Ben Pool, Max Howorth, Eddie & Diana Arteaga, Charles & Mary Ann Pajestka, Kyle & Elaine Donaldson, Clarie Jones and Carl & Melissa Teaff.

Preston Faris opened the meeting at 6:12 pm.

Bob Brockman gave a brief overview of 2013 on behalf of the Hudspeth Ranch Board. Points of interest included decrease in mineral income, legal issues with former employees resolved and cattle stock on the rise.

Glen Fisher gave an overview of 2013 on behalf of the Sutton County Health Foundation. Items reviewed were investments in the San Angelo Health Foundation; Randeef Fawcett estate named SCHF as a beneficiary and donation from Carl & Melissa Teaff. Glen Fisher and Melissa Teaff were recognized for their years of service to the SCHF as they will be rotating off of the board this month.

Robert Pascasio reviewed 2013 for the Sutton County Hospital District. The district performed a salary survey and a pricing survey, to find we are in line with area facilities. The hospital has hired a strategic planning and marketing group to focus on our future. The senior living project that was started in 2012 is currently on hold. Mr. Pascasio has been spending lots of time in Edwards County in hopes that SCHD can provide healthcare in the future to Rocksprings residents. We are working on enclosing the exam rooms in the diagnostic wing. The district is currently seeking a new mid-level provider to work with Chris Hall MD. Lillian M Hudspeth Memorial Hospital has once again been listed in the top 20 CAH in the country.

Gary Leonard recognized the SCHD personnel and thanked them for their performance. He also praised the citizens of Sutton County on their support.

The meeting was adjourned at 7:23pm.

A handwritten signature in blue ink that reads "Preston R. Faris".

Preston Faris, President

ATTEST:

A handwritten signature in black ink that reads "Michelle Schaefer".
Michelle Schaefer, Board Secretary