HOSPITAL DISTRICT NUMBER ONE OF MOHAVE COUNTY

3269 Stockton Hill Road – Kingman, AZ 86409

MINUTES – JULY 14, 2026

The Governing Body of Hospital District Number One of Mohave County (Hospital District Board) will meet in Regular Session on Tuesday, July 14, 2026 at 2:00p.m**. The meeting will be held at Kingman Regional Medical Center in Mohave A Conference Room at 3269 Stockton Hill Road, Kingman, Arizona.** The Hospital District Board may vote to go into Executive Session pursuant to A.R.S. §38-431(A)(3) for legal advice and A.R.S. §431.03(A)(4) for discussion or consultation with attorney(s). The following topic(s) and any variables thereto will be subject Hospital District Board consideration, discussion, approval, or other action. All items are set for possible action.

I. CALL TO ORDER

The Regular Session Board meeting of Hospital District Number One of Mohave County was called to order at 2:00p.m. A quorum was identified.

II. ROLL CALL OF THE HOSPITAL DISTRICT BOARD MEMBERS

Chairman, Katie Tacheron
Vice Chairman, Teresa Boegler
Board Member Logan Marsh
Board Member Carol Newmyer, M.D.
Board Member Leanne Smith

Non-Board Members

District 4 Supervisor Don Martin
Attorney Thomas Price (Present remotely)
Executive Assistant Catherine Furtado

KRMC Representatives: Billy Neal, Candice McDaniel, Emmanuel Buabeng, Cherly Porter, Heath Evans, Barry Moore, Allen Poston.

III. CONSIDERATION AND ACCEPTANCE OF MINUTES

Minutes from the June 2, 2026 meeting were reviewed.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO ACCEPT THE MINUTES WITH ONE CHANGE NOTED AS FOLLOWS: PAGE 7, OLD BUSINESS, A.2, THE COST OF THE CYBER COVERAGE SHOULD BE $2,358.12 RATHER THAN $2,523.24. VOTE: 5/0

IV. FINANCIAL MATTERS

A. ***Information only*** – The Annual Operational Budget Report for Fiscal Year ending June 30, 2026 was hand-delivered on June 18, 2026 to the Clerk of the Board of Supervisors and to the Mohave County Finance Department. The Fiscal Year Annual Budget for Fiscal Year ending June 30, 2027 was approved at the June 2, 2026 Hospital District Meeting.

Board Member Smith asked for clarification as to whom on the Board reviews these documents to which Chairman Tacheron responded that she, Executive Assistant Catherine Furtado and sometimes Board Member Boegler prepare the form for distribution. Board Member Smith then replied stating there is no consistency as to whom prepares the forms and is there someone always on the Board who partakes in the discussion to which Chairman Tacheron replied yes.

A subsequent discussion ensued when Board Member Newmyer stated that the form needed to be revised to show that she and Katie Tacheron were in fact elected rather than appointed according to the certificate she received from the Board of Supervisors.

ACTION: BOARD MEMBER NEWMYER ASKED FOR A CORRECTION TO THE ANNUAL OPERATIONAL BUDGET REPORT FISCAL YEAR ENDING JUNE 30, 2027 FORM TO SHOW BOTH SHE AND KATIE TACHERON WERE ELECTED RATHER THAN APPOINTED. THE EXECUTIVE ASSISTANT WILL MAKE THE CORRECTIONS AND FORWARD A REVISED COPY TO THE CLERK OF THE BOARD OF SUPERVISORS.

B. ***Information only –*** discussion of the following invoices that have been paid since the June 2, 2026 meeting. Of note, at the June 2, 2026 District Board meeting approval was granted to pay invoices upon receipt so as not to delay payment or incur finance charges. Copies of each invoice and respective warrant have been forwarded to the KRMC Finance Department for Budget Reconciliation and to the Mohave County Treasurer's Office for Fraud Protection:

1. Check #7667000297 in the amount of $21,019.00 to McGriff a March & McLennan Agency LLC Company for D&O basic coverage board insurance. Board approved to purchase insurance coverage at their May 5, 2026 meeting.

2. Check #7667000298 in the amount of $373.22 paid to Allied Forces for Catherine's salary (part of May 2026)
3. Check #7667000299 in the amount of $1,254.00 paid to Tom Price, District Board Attorney.
4. Check #7667000300 in the amount of $2,358.12 paid to McGriff a March & McLennan Agency LLC Company for Cyber Coverage for policy period of 6/04/2026-5/01/2027. Board approved to purchase additional coverage at their June 2, 2026 meeting.
5. Check #7667000301 in the amount of $1,994.69 paid to Arizona Labor Force (Allied Forces) for Catherine Furtado's salary (May 16-May28, 2026).

ACTION: AGENDA ITEMS PRESENTED FOR INFORMATION ONLY. NO FURTHER ACTION DEEMED NECESSARY.

C. ***Information only –*** discussion of the Balance Sheet Summaries for March, April and May 2026 as well as Statements of Revenue and Expenses for the same time periods. In addition, discussion of the Mohave County Treasurer's Fund Balance Report for May 2026.

KRMC Controller, Barry Moore provided an overview of the Balance Sheet Summaries focusing on April/May 2026, specifically addressing current assets (for the time period ending 4/30/2026, the balance for Total Current Assets was $2,193,857. For the time period ending May 31, 2026, the balance for Total Current Assets was $191,292 a reduction due to two GME payments and expense reimbursement totaling $2,002,565.00). Mr. Moore subsequently addressed Liabilities and Fund Balance Current Liabilities (for the time period ending 4/30/2026, the Accounts Payable IGA balance was $2,244,748.00. For the time period ending May 31, 2026, the Accounts Payable IGA balance was $144,092.00, a reduction of 2,100,656.00 (due to a GME IGA payment of $1,687,795.00 and a third ASPI Non-Federal Fund Share payment of $412,860.00). Mr. Moore finished his report with the Statement of Revenue and Expenses for the period ending 5/31/2026 focusing on current year-to-date specifically a deficit of 74,952.00 due to expenses related to community donations, e.g. GME IGA and ASPI Non-Federal Sharing.

ACTION: AGENDA ITEM FOR INFORMATION ONLY. NO FURTHER ACTION DEEMED NECESSARY.

D. Re-discussion and possible action regarding approval to secure a Hospital District Board business Credit Card from a reputable cred card company, bank or credit union. At the June 2, 2026 meeting, the Board approved the Chairman to proceed with the credit card application through the National Bank of Arizona. However, following that meeting, it came to light that further research was needed to ensure payment with a business credit card is /was allowable under A.R.S. Title 48 – Special Taxing Districts to which this Board must adhere.

   Based upon A.R.S. §48-1915 and the opinion/recommendation of the Hospital District's attorney, Tom Price, a redress of this issue is warranted (1) to determine whether the statute allows payment by credit card and (2) whether the Board's chairman should ultimately proceed with the credit card application process. (Of note, pertinent June 2, 2026 agenda items D.1 through 5 were deferred and pending until a redress is concluded regarding the credit care application process).

   Discussion ensued with District Board attorney Tom Price reiterating that §48-1915 (A) that, in particular, uses the language that money received by a receipt for a hospital district from any source shall be deposited with the county treasurer of the organizing county to the credit of the hospital district and paid out only on warrants approved by the board of directors of the district. Per attorney Price, the bottom line is you cannot be using a credit card. Board Member Marsh and Chairman Tacheron both submitted remarks relative to this discussion, with Board Member Marsh first stating technically one can pay a credit card bill with a warrant, with the credit card simply being an initial instrument for payment followed by Chairman Tacheron secondly stating that when she initially contacted Staples to see about setting up an account she was told an account would have to be secured with a credit card; however, after further discussion, agreement was reached that invoices could be paid by warrant. Further discussion ensued with Board Member Marsh stating he has reached out to both the governmental departments of Google and Microsoft Teams, neither of which accept any type of government check due to fraud purposes. They require electronic payment via Visa, Mastercard, American Express or wire transfer. And so, to secure our technology, the Board has to come up with a work-around. Attorney Price asked if any of the technology purchases could be prepaid through warrants to which Board Member Marsh replied no, they won't accept any governmental warrant checks period due to the amount of fraud. Still further discussion ensued when Board Member Smith asked if the Hospital District was different from the Golden Valley Improvement District and does the latter have a credit card to which Supervisor Martin responded no they do not and they pay their own bills, which are not handled by the county. Subsequently, attorney Price remarked that the Golden Valley Improvement District's financial aspect is different from the Hospital District. Board Member Marsh subsequently remarked that he has, in the past, reached out to other Special Taxing Districts in different Arizona counties asking how they pay for their technology to which some responded such is county provided. Board Member Marsh further stated he feels as though the county is uncomfortable with providing this Board with technology and emails, etc. and that the Board is hitting a wall to secure something that is required. As such, he would like to know what can be done to move this issue forward. Attorney Price stated he will reach out to the Deputy County Attorney to determine how to resolve this issue so as to not violate the Arizona Revised Statutes pertinent to Special Taxing Districts, specifically Hospital Districts. He stated that each Special Taxing District, such as the Fire District, has its own statutes they must follow different from Hospital Districts so reaching out to other Special Taxing Districts is not applicable.

ACTION: ITEM DEFERRED. BOARD ATTORNEY TOM PRICE TO CONTACT THE MOHAVE COUNTY DEPUTY ATTORNEY TO OBTAIN CLARIFICATION REGARDING FEASIBLE PAYMENT OPTIONS THAT REMAIN WITHIN THE SCOPE OF THE ARIZONA REVISED STATUTES PERTAINGING TO SPECIAL TAXING DISTRICTS, SPECIFICALLY HOSPITAL DISTRICTS. VOTE: 5/0

E. Review, discussion and possible action regarding approval of the revised Hospital District's Fixed Costs and Recurring Costs for fiscal year 2026-2027.

Discussion ensued with Board Member Marsh explaining the two documents in detail. Of note, the cost of the 6 phones rose from $700.00 (actual cost $692.00) to $1,200.00 due to the ending of a promotional period. The estimated cost for the cell phone plan for six phones will be approximately $124.00/month. No other significant changes to the draft Fixed Costs and Monthly Recurring Costs were identified.

Board Member Smith raised the question of whether or not approval of these two documents should be deferred until the revised lease agreement between KHI d/b/a KRMC comes before his board, specifically with details of the monthly rent payments identified.

ACTION: MOTION MADE BY BOARD MEMBER SMITH AND SECONDED BY BOARD MEMBER NEWMYER TO DEFER ACTION PENDING DISTRICT RECEIPT OF THE

REVISED LEASE AGREEMENT BETWEEN KHI D/B/A KRMC AND THE HOSPITAL DISTRICT. VOTE: 5/0

F. Google Workspace: Brought forward from the June 2, 2026 Hospital District meeting, agenda item "IV. Financial Matters E.2." The trial period for the Googe Workspace ended 5/28/2026. In order to receive this trial period, Katie Tacheron used her personal credit card to secure this service.

Therefore, discussion and possible action regarding approval is needed to reimburse Ms. Tacheron for $83.71.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER NEWMYER TO REIMBURSE KATIE TACHERON $83.71. VOTE: 5/0

Of note, and for information only at this time, it is anticipated future invoices may be generated and reimbursement for such charges will be brought before the Board as they become available.

V. OLD BUSINESS

A. Discussion and possible action regarding the approval of the addendum for EPL coverage. Item deferred from the June 2, 2026 meeting. Policy/pricing attached to the June 2, 2026 agenda packet, which is available on the District's webpage. Policy/pricing redistributed to Board Members in an email dated June 6, 2026 and included in this agenda packet.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO REVISIT EPL COVERAGE IF AND WHEN THE DISTRICT HAS DIRECT HIRE EMPLOYEES. VOTE: 5/0

B. Discussion and possible action regarding the Hospital District and the Mohave County Office Space Lease Agreement. At the July 6, 2026 meeting of the Board of Supervisors, that August Body reviewed the draft proposed lease agreement between County Administration and the Hospital District. Subsequently, the Board of Supervisors deferred approval until their August 3, 2026 board meeting, which prompted a request from the County Manager, David Strahl, asking for clarification as to the duties and authorities of the Hospital District Board.

1. Draft response to the County Manager, David Strahl, regarding the Hospital District Board's duties and authorities.

2. Of note, pending the Board of Supervisors' final action of, and as noted in the draft lease agreement, the District Board must obtain commercial general liability coverage in an amount no less than one million dollars ($1,000,000.00) per occurrence and two million dollars ($2,000,000.00) aggregate; and Worker's Compensation coverage in an amount required by the State of Arizona as may be applicable. Insurance information for this policy is currently being gathered and will come before this Board as a future agenda item.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO APPROVE THE "AS WRITTEN DRAFT" OFFICE SPACE LEASE BETWEEN MOHAVE COUNTY AND THE DISTRICT BOARD. VOTE: 4/1 WITH BOARD MEMBER NEWMYER ABSTAINING

C. Discussion and possible action regarding the approval to change from Allied Forces for ancillary staff billing/salary payment to 1-Call Staffing LLC. Allied Forces has proved not to be cost effective with their billing practices and have not adhered to the agreed upon percentages for using their services.

Discussion ensued with Chairman Tacheron stating that Allied Forces provided a quote of 26% payment for services when in fact the Board is being charged 51%, which is based on profit margin, payroll tax, Worker's Compensation, etc. Chairman Tacheron also remarked that Allied Forces does not provide fraud coverage.

ACTION: ITEM DEFERRED. DISTRICT BOARD CHAIR AND VICE CHAIR TO CONTACT 1-CALL STAFFING LLC AND ELWOOD STAFFING ASKING BOTH COMPANIES TO PROVIDE DETAILED CONTRACT POLICIES INCLUDING PERCENTAGES CHARGED TO PROSPECTIVE CLIENTS. VOTE: 5/0

VI. NEW BUSINESS

A. Review, discussion and possible regarding the approval of the Policy and Procedure for Payment of Invoices from Venders.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO APPROVE THE POLICY AS WRITTEN. VOTE: 5/0

B. Review, discussion and possible action regarding the approval of the Policy and Procedure for Board-Issued Electronic Devices, Related Software and Peripheral Accessories.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO DEFER APPROVAL OF THE POLICY. VOTE: 5/0

C. Review, discussion and possible action regarding the approval of the Policy and Procedure for Purchase of Office Supplies and Equipment.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER BOEGLER TO APPROVE THE POLICY AS WRITTEN. VOTE: 5/0

D. Discussion and possible action regarding the approval of setting up a Staples Account for the purchase of office supplies and/or essential equipment, e.g., laptops, iPads, software and accessories.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO APPROVE CHAIRMAN KATIE TACHERON TO CONTINUE TALKS WITH STAPLES IN ORDER TO SET UP A PURCHASING ACCOUNT. VOTE: 5/0

E. Discussion and possible action regarding approval of the Baker/Tilley Letter of Engagement for the required annual audit for Fiscal Year ending June 30, 2026.

Of note, this is the final year for this contracted company to conduct the required mandatory audit, As such, the Board Chairman will obtain a list of qualified governmental auditors for board review, audit company interviews followed by possible approval to facilitate the required audit process.

ACTION: MOTION MADE BY BOARD MEMBER MARSH AND SECONDED BY BOARD MEMBER SMITH TO APPROVE THE BAKER/TILLEY LETTER OF ENGAGEMENT. IN ADDITION, EACH DISTRICT BOARD MEMBER IS TO DEVELOP INTERVIEW QUESTIONS FOR POTENTIAL FUTURE AUTIDTORS SINCE THE CONTRACT WITH BAKER/TILLEY IS SET TO EXPIRE. VOTE: 5/0

VII. CALL TO THE PUBLIC - No members of the public came forward to address the District Board.

VIII. ADJOURNMENT

ACTION: WITH NO FURTHER BUSINESS TO DISCUSS A MOTION WAS MADE BY BOARD MEMBER BOEGLER AND SECONDED BY BOARD MEMBER MARSH TO ADJOURN AT 2:48 P.M. VOTE: 5/0

Respectfully submitted by Catherine Furtado on behalf of:

Katie Tacheron, Hospital District Number One of Mohave County Board Chairman