

**REGULAR MEETING
OF THE SAN PEDRO VALLEY HOSPITAL DISTRICT,
HELD JANUARY 28, 2026
AT 9:00AM**

PRESENT:	JOSE CHAVEZ	MEMBER, CHAIRMAN
	CARMEN KREBS	MEMBER, VICE-CHAIRPERSON
	RONALD DESMARAIS	MEMBER
	SABRINA PRIDHAM	MEMBER
	KIMBERLY GUILLIAMS	SECRETARY

ABSENT:	ANGEL DE LA TORRE	MEMBER
----------------	--------------------------	---------------

ALSO PRESENT:	GARY KARTCHNER
	MARK NELLIS

CHAIRMAN CHAVEZ OPENED THE MEETING AT 9:12AM

MINUTES OF THE PREVIOUS MEETING:

Mr. Desmarais moved to approve the December 3, 2025 regular meeting minutes as submitted.
Second by Mrs. Krebs. Motion passed.

TREASURER'S REPORT:

Ms. Guilliams submitted the Treasurer's Report from December 2025. She said that the account balance as of Monday is \$314,987.62

WARRANTS AND CORRESPONDENCE:

Ms. Guilliams said that she is awaiting invoices for the audit, and from the attorney, and the secretary quarterly salary will be due.

NEW BUSINESS:

A. FY 24/25 Financial Audit – Ms. Guilliams submitted the 24/25 audit. She noted that there is a deficiency in the report to the Board of Directors and Management regarding segregation of accounting duties. They recommended management limit the performance of incompatible duties for the secretary regarding accounting records and consider implementing a control where procedures are reviewed such as having the treasurer and secretary review each other's work. And documenting evidence of the review process on a log or each item being reviewed. She stated that all work is reviewed and voted on by the board and is unsure what the solution would be. Ms. Guilliams said that she will reach out to the auditor for more information about rectifying that and

San Pedro Valley Hospital District

Minutes

September 24, 2025

inform the board at the next meeting. The numbers from the audit all match the annual report. Mrs. Pridham moved to approve the audit as submitted. Second by Mrs. Krebs. Motion passed.

B. FY 24/25 Annual Report – Ms. Guilliams submitted the 24/25 annual report. The numbers match the audit. Mr. Desmarais moved to approve the annual report. Second by Mrs. Krebs. Motion passed.

C. 2026 Records Officer Designation – Ms. Guilliams said that the attorney notified her that his is a requirement for the state. It has to be done every other year. She suggested that she be designated as she maintains the records for the board. Mr. Desmarais moved to designate Ms. Guilliams as the records officer. Second by Mrs. Krebs. Motion passed.

D. M&O – Mr. Nellis did not request M&O for January.

E. CEO Report – Mr. Kartchner said the hospital is working on the EMR transition and is in discovery discussions with TMC. The transition will impact many other departments. The transition will be for both Benson and Northern Cochise Hospital. He reported that the hospital is currently delicensing down from a 22-bed facility to a 16-bed facility. This will allow us to expand some other services. The state is coming for final inspection tomorrow. The hospital is also looking at ways to keep more patients here.

F. CFO Report – Mr. Nellis reviewed the December financials. He reviewed patient statistics, the balance sheet, and the income statement. He said that most of the stats are good but still have some challenges with SNF and Hospice. The hospital is in a strong position. TMC took over the vail clinic lease starting in 2026. He spoke about capital projects for 2026.

OLD BUSINESS:

None.

CALL TO AUDIENCE:

None.

CALL TO BOARD:

None.

ADJOURNMENT:

The meeting was adjourned at 10:01AM. The next regular meeting will be held in the Saguaro Room on February 25, 2026, at 9AM.

Signed: _____

Jose S Chavez

Dated: _____

2-25-26