MORONGO BASIN HEALTHCARE DISTRICT

Service Quality People Finance Growth

Hi-Desert Memorial Health Care District dba

Morongo Basin Healthcare District

BOARD OF DIRECTORS REGULAR MEETING MINUTES

October 1, 2026 at 6:15 p.m.

Convened on the La Contenta campus; the public was invited to attend the meeting on campus or via Microsoft Teams, an electronic, remote platform.

- ***Mission Statement: To** improve the health and wellness of the communities we serve.*
- ***Vision:** A healthy Morongo Basin.*
- ***Core Values:** Commitment, Collaboration, Accountability, Dignity, Integrity, Equity.*

Board of Directors:
- Director Cooper
- Director Evans
- Director Markle-Greenhouse
- Jacqueline Todd

Administrative Staff:
- Cindy Schmall, CEO
- Debbie Anderson, CFO
- Tricia Gehrlein, CAO *(by remote)*
- Karen Graley, Board Clerk *(by remote)*
- Tela Thornett, Operations Manager
- Caitlyn Marmon, Administrative Assistant

Guests
- Carrie Williams, community member

CALL TO ORDER

Director Greenhouse called the meeting to order at 6:15 p.m. The meeting was convened on the La Contenta campus and by electronic platform using Microsoft Teams.

ROLL CALL

Karen Graley, Board Clerk, conducted a roll call and declared a quorum.

OBSERVANCE

Director Todd read the mission and vision statements. Director Greenhouse led the assembly in the pledge of allegiance.

PUBLIC COMMENT

None presented.

APPROVAL OF THE MEETING AGENDA

- **Motion 26-62**: Director Todd motioned to approve the meeting agenda as presented; second by Director Cooper, motion passed by unanimous vote.

APPROVAL OF THE CONSENT AGENDA

- **Motion 26-63**: Director Todd motioned to approve the minutes of September 10, 2026, regular monthly business meeting as presented, second by Director Cooper. Motion passed by unanimous vote.

CANDIDATE INTERVIEW FOR VACANT SEAT – VOTING ZONE 4

Director Greenhouse presented Misty Evans as a candidate to represent the seat for voting-zone #4. Ms. Evans explained she resigned at the September meeting because she moved her primary residence from zone 5 to zone 4. She stated she had filed her candidacy for voting zone 4 for the November general election ballot but has been informed that she will be appointed as the representative for voting zone #4 by the County Board of Supervisors as no other candidate presented for the ballot.

ACTION ITEMS

APPOINT CANDIDATE TO VACANT SEAT FOR VOTING ZONE 4

There was no discussion regarding the appointment. Director Greenhouse called for the vote.

- **Motion 26-64**: Director Todd motioned to appoint Misty Evans to the vacant chair for voting zone 4, second by Director Cooper. Motion passed by unanimous vote.

UNBUDGETED CAPITAL EXPENSE – WASTEWATER PROJECT

- **Motion 26-65** Motion by Director Evans, second by Director Todd, to approve the unbudgeted capital expense of $122,000 to cover engineering fees for the District's wastewater monitoring system; motion passed by unanimous vote.

CEO Schmall referred the Directors to the detail provided in the agenda packet. The District is responsible for installing wells for monitoring the discharged wastewater from the medical center treatment plant even though the operation of the treatment plant is in full compliance. The Colorado River Basin Water Quality Control Board (CRBW) has mandated the installation of additional monitoring wells. This is a new regulation being enforced throughout California. The request for money ($107,000) is for the engineering firm to prepare and present the plans to CRBW; with an additional $15,000 as contingency funds, for a total of $122,000.

DECLARE PROPERTY AS EXEMPT SURPLUS LAND

- **Motion 26-66** Motion by Director Todd, second by Director Evans, to approve Resolution #26-06 to declare District owned real property located at 57483 Twentynine Palms Hwy, Yucca Valley, units 205 and 206 (Airway Center) as exempt surplus land as per government code section 54221. Vote taken by roll call, motion passed 4:0.

CEO Schmall explained this action item is in response to closed session instructions (*disclosure for August 6, 2026, closed session*) to sell District surplus properties. Resolution #26-06 declares the property as "exempt surplus land." This makes the property legally exempt from state mandates to offer it to other public agencies before placing it in the real estate market, a very lengthy process. The declaration is the first step in the process to sell surplus land assets.

The District owns two suites in the Airway complex. The structure of the property utilities is that water usage is based on square footage, not actual use. The District has a total of 5,900 square feet. The water and monthly HOA fees are high, even though the suites remain unoccupied and there is no water use.

INITIATE PROCESS TO INCREASE MEETING STIPENDS

Motion 26-67 Motion by Director Todd, second by Director Evans, to initiate the process as prescribed by government code to increase the meeting-day stipend as permitted by California law. Motion passed by unanimous vote.

CEO Cindy Schmall explained that the law provides for a five percent annual increase. The current stipend stands at $115.50. The five percent increase will take it to $121.28 per meeting day. Board Clerk Karen Graley explained the required process of time-specific public notices and public hearing to receive comments. The public hearing is scheduled to precede the November regular business meeting.

APPROVE PERSONNEL ACTION

Motion 26-68 Motion by Director Todd, second by Director Evans, to approve the remote hybrid work schedule for CEO. Motion passed by unanimous vote. *(This is disclosure for the closed session of September 10, 2026.)*

CEO Cindy Schmall introduced the action item. This is a formality to correct past oversight of not stating the hybrid work schedule in official minutes. She has been working remotely and commuting to Yucca Valley at least monthly. This action is to formalize working from a remote location with reduced hours. Ms. Schmall noted that she has been working remotely and commuting for special events and board meetings. She assured the Directors that she coordinates with the executive team to ensure onsite management. Director Evans said that over the months she has not observed any disruption in performance.

DISCUSSION BOARD SELF ASSESSMENT

CEO Schmall outlined the discussion and said there was nothing outstanding that came from the annual self-assessment survey. She noted that there were comments that could influence future planning. She requested that the board convene a special meeting for strategic planning. Unfortunately, the survey separates comments from specific questions, making it unclear which question was being commented on.. CAO Tricia Gehrlein highlighted a few survey comments as an example of lack of clarity.

CEO Schmall said staff wants to delve into the issues and priorities identified in the survey and explore what the board's priorities should be next year. Thus, the request for a special meeting. She noted that the current strategic plan was built prior to the passing of HR-1 and some items in the strategic plan cannot move forward because of changes imposed by HR-1. There was discussion about using a different survey evaluation tool in the future.

STAFF REPORTS

FINANCIAL REPORT – *Cindy Schmall, CEO*

Motion 26-69: Director Todd motioned to accept the financial report as presented, second by Director Evans; motion passed by unanimous vote.

CFO Debbie Anderson presented the financial statement for August. The consolidated financials for the month of August and year to date show income of $196,996 and a year-to-date loss of $(11,724). The non-clinic financials for the month of August show income of $213,936 and year-to-date income of $52,548. The clinic financials for the month of August show a loss of $(16,940) and a year-to-date loss of $(64,273). The non-clinic financials (District) had net investment income of $(212,108) which is why the change in net position is negative. If the investment income of $(212,108) is ignored, then the financials would have shown income of $3,386, essentially breaking even for the first month of fiscal year 2026-27.

The clinics did show losses for the month, but not as much as budgeted due to visits being a few hundred over budget (3,330 actual vs 3,012 budgeted). Additionally, income from quality programs is higher than budgeted although grant revenue is less than budgeted.

Expenses are about one percent under budget, with notable variances for professional fees (due to contracted providers being over budget), purchased services (billing is up for the higher visits so the RCM contract is higher), supplies (vaccine supplies are typically bought in fall not summer), R&M (flood / biohazard cleanup & testing), and other (recruiting costs have been suspended).

Notable non-clinics positive variances include savings on staffing and benefits, and negative variances exist for professional expenses (legal) and allocation of overhead. Investments showed positive variances for the month but year-to-date is still a negative variance from budget.

We have received notice that the employee benefits program will increase by 10% for 2027.



CEO STAFF REPORT

CEO Schmall presented a verbal report.

- Sheree Fansler, a long-time employee of the District and member of the community, passed away on September 24, 2026. Sheree had been ill for a while and had to resign her position with the District. However, as a memorial, we are hosting an employee potluck in suite 600 on October 2. Sheree loved potlucks and often organized spontaneous potlucks for her coworkers. We felt it was the best way to honor her memory. Additionally, staff are adding to the Sharing Wall with anecdotes about her and pictures. She will be greatly missed.
- Mike Tuerpe, Assistant CEO for LAFCO San Bernardino County has reached out to us. LAFCO is planning their service review of healthcare districts. We are trying to arrange a time for their one-hour visit to review our service area and ensure our compliance with regulations. More to come.
- The District is performing its first complete inventory on October 6. This will help us identify all assets of the District and create more accountability. All managers and some key personnel will be involved in the inventory process. We will be logging and tagging items that are over $100 dollars and completing the disposition forms for anything that is not needed per District policy LD-226 District Surplus Property Process. We will be bringing that policy back to you in November 2026.
- The District has received multiple public information requests recently. According to our attorneys this is happening to all districts in California. The information is mostly salary and policy related and comes from different requestors.
- We have been working to move all District services into the two main La Contenta buildings. Our hope is to get the other La Contenta suites rented in the future as we are able to completely vacate them. This will help generate revenue as we move forward. More information about that will be forthcoming as we near completion of the process.
- The Split Rock project is still awaiting clearance from the Fire Marshall. The Fire Marshall has acknowledged that they are behind in reviews but will get it completed as soon as possible.
- The remodel of the Behavioral Health department is still in process. The case management area is almost completed, and we anticipate the referrals and care team moving in October 15, 2026. This will free up the Ancillary Services building to start the build-out of the Dental clinic. The intent will be to put Dental in the ancillary building so that they are next to clinics in Yucca Valley.
- We are still looking for a full-time nurse practitioner and a full-time physician. Unfortunately, Dr Kim has resigned effective November 19. This was a decision for personal reasons and did not have anything to do with his feelings about us. We will be sorry to see him leave.
- IEHP brought the mobile mammogram program to our Ancillary Services building on September 29, 2026. We were able to schedule about 40 appointments; 15 patients kept the appointment. We are trying to get a commitment from IEHP on a more routine schedule for this program. Working with IEHP to double book appointments to offset the high no-show patients.

- CEO Schmall asked CAO Gehrlein to debrief the Directors about the IEHP request to accept additional patients. She stated that Dr. Thomas will be closing his office in 29 Palms. He was assigned about 659 IEHP members. We agreed to accept the patients. However, we asked IEHP to exclude these new patients from our current P4P calculations because we expect that they will have high acuity and a negative impact on our P4P performance scores. That has been our experience in the past. She is still waiting for their final decision regarding exclusion from P4P.

  Even if it works against us and we lose our quality dollars, we felt it was important to take the patients for two reasons. One is access. Dr. Salhotra sees 29 Palms IEHP patients, but they are dual choice only, meaning that they are Medicare/Medi-Cal subscribers. We are now the only Medi-Cal provider for IEHP patients in 29 Palms. We are the safety net. We are there for a very good reason. And that reason is to care for these patients.

  The second reason is we expect to lose patient members due to HR-1. Between March and September of next year is when the numbers will probably start to decline.
  So the more members that can be assigned to us now, the better off we will be in 2027 to capture as many patients as we can. And hopefully if they do lose their insurance, they know that we are here, that we have a sliding fee program, and we can still care for them. The larger our reach, the better we can ensure that we are providing those services needed to the community.

- The health centers held an immunization clinic day on Saturday, September 12 to help us catch up on children's vaccinations. Thanks to Alyssa Burton, PA for her assistance with this much needed opportunity for parents to bring in kids for vaccines and Well Child visits. The effort was successful and another immunization clinic will be scheduled in November.

- SB827 is a new California financial education requirement for elected officials. A link has been forwarded to each Director. It will give you access to the two-hour mandatory training.

CALENDAR REVIEW AND COORDINATION

The October and November calendars were reviewed. CEO Schmall specifically promoted the health fair in 29 palms on October 10. She also added to the calendar the HDMC time capsule opening on November 17 at 11:00 a.m. SP8.7 mandatory training for all elected officials

DIRECTOR COMMENTS

DIRECTOR TODD: "Glad Director Evans is back."

DIRECTOR COOPER: "I want to thank Debbie for her in-depth explanation during her report for our guests."

DIRECTOR EVANS: "Happy to be back. Thank you, everybody."

DIRECTOR GREENHOUSE: "I want to thank Carrie Williams, Tela, Caitlyn, Tricia, our board clerk Karen and CEO Cindy to being here tonight."

ADJOURN MEETING

The meeting adjourned at 7:30 p.m.

Jackie Todd, Secretary of the Board

Meeting minutes recorded by K. Graley, Board Clerk.