



NOTICE OF **SPECIAL** BOARD MEETING OF  
THE UPPER SAN JUAN HEALTH SERVICE DISTRICT  
d/b/a PAGOSA SPRINGS MEDICAL CENTER  
**Tuesday, January 10, 2023, at 5:00 PM**  
The Board Room (direct access – northeast entrance)  
95 South Pagosa Blvd., Pagosa Springs, CO 81147

**FOR INFECTION CONTROL, PERSONS FROM THE PUBLIC ARE  
ENCOURAGED TO ATTEND VIA ZOOM**

Please use this link to join the meeting:  
<https://us02web.zoom.us/j/89184380265>  
or telephone (346)248-7799 or (669)900-6833  
Meeting ID: 891 8438 0265

### **AGENDA**

- 1) CALL TO ORDER; ADMINISTRATIVE MATTERS OF THE BOARD**
  - a) Confirmation of quorum
  - b) Board member self-disclosure of actual, potential or perceived conflicts of interest
  - c) Approval of the Agenda (and changes, if any)
- 2) PUBLIC COMMENT** This is an opportunity for the public to make comment and/or address USJHSD Board. Persons wishing to address the Board need to notify the Clerk to the Board, Heather Thomas, prior to the start of the meeting. All public comments shall be limited to matters under the jurisdiction of the Board and shall be expressly limited to three (3) minutes per person. The Board is not required to respond to or discuss public comments. No action will be taken at this meeting on public comments.
- 3) DECISION AGENDA**
  - a) Presentation regarding [proposed Board Investment Policy](#).
  - b) Consideration of [Resolution 2023-01](#) for approval.
- 4) EXECUTIVE SESSION**

The Board reserves the right to meet in executive session for any other purpose allowed and topic announced at open session of the meeting, in accordance with C.R.S. Section 24-6-402(4).
- 5) OTHER BUSINESS**
- 6) ADJOURN**

*PSMC's Mission: To provide quality, compassionate healthcare for each person we serve.*

**UPPER SAN JUAN HEALTH SERVICES DISTRICT d/b/a  
PAGOSA SPRINGS MEDICAL CENTER  
Policy of the Board of Directors**

**Subject: INVESTMENT POLICY  
Board Policy No.: 14**

**1) POLICY.**

- a) This is the investment policy of the Upper San Juan Health Service District, which does business under the trade name Pagosa Springs Medical Center (“PSMC”), and may not be modified without the approval of the Board of Directors.
- b) It is the policy of PSMC to invest its funds with the goal of obtaining a competitive investment return consistent with preserving principal, maintaining the liquidity necessary for operational cash flow demands, and compliance with applicable laws including, without limitation, Colorado’s Public Deposit Protection Act (“PDPA”).

**2) INVESTMENT OBJECTIVES.**

- a) PSMC’s funds shall be invested in a manner designed to accomplish the following objectives which are listed in order of priority:
  - i) SAFETY: Safety of principal is the foremost objective of this Investment Policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal.
  - ii) LIQUIDITY: Investments will remain sufficiently liquid to enable PSMC to meet all needs for cash which might reasonably be anticipated; adequate, but not excessive, liquidity shall be the objective. To the extent possible, investment maturity will be matched with anticipated cash flow requirements of PSMC.
  - iii) YIELD: Investments shall be managed with the objective of attaining a competitive rate of return given the constraints of safety and liquidity.

**3) COLLATERALIZATION.**

- a) The Colorado Public Deposit Protection Act requires at least 102% collateralization for any uninsured deposits in bank accounts, money market accounts, or certificates of deposits; per the PDPA, the 102% collateralization is based upon the highest daily amount of public funds on deposit in the prior month. PSMC may only invest in certificates of deposit with institutions who are certified as “PDPA Public Depository” by the State of Colorado Division of Banking.

**4) PSMC’S AUTHORIZED INVESTMENTS.**

- a) Insured or collateralized as required by the PDPA:
  - i) bank account deposits including a deposit placement network in which funds are deposited in increments to take advantage of FDIC insurance coverage;
  - ii) money market deposits; or
  - iii) certificates of deposit.

- b) Any security issued by, fully guaranteed by, or for which the full credit of the United States treasury is pledged for payment so long as the period from the date of settlement of this type of security to its maturity date is no more than five years unless the Board of Directors of PSMC specifically authorizes a period in excess of five years.
- c) Local Government Investment Pools (e.g., ColoTrust).

5) **BANKS, INVESTMENT FIRMS, BROKERS OR DEALERS.**

- a) **SELECTION:**
  - i) Banks, investment firms, brokers or dealers shall be selected by a due diligence review process.
  - ii) All investment firms, brokers or dealers shall complete the broker/dealer questionnaire attached hereto as Appendix A.
  - iii) The bank, investment firm, broker or dealer shall maintain an office in the State of Colorado as so designated in the annual audited financial report for the institution.
- b) **FEES:** PSMC shall not incur or pay fees for the administration, management and investment of PSMC's funds in an amount that is higher than the fee commonly charged by private investment advisors.
- c) **REPORT:** The institution shall provide regular transaction, monthly, quarterly and annual reporting to PSMC regarding the Authorized Investments. PSMC shall maintain report information on PSMC's investment fees (whether such fees are paid to a firm, broker and/or for a transactions).

6) **INVESTMENT OFFICIALS.**

- a) "PSMC's Investment Officials" include the following:
  - i) PSMC's Board who is responsible for PSMC's Investment Policy as the Board may update it from time to time.
  - ii) PSMC's Chief Executive Officer ("CEO") to whom the Board delegates responsibilities.
  - iii) PSMC's Chief Financial Officer ("CFO") and PSMC's Controller to whom the CEO delegates the responsibilities for operationalizing the investments and reporting on the same to the CEO and Board.

7) **PRUDENCE.**

- a) PSMC Investment Officials shall invest PSMC funds with judgement and care, under prevailing circumstances, which a person of prudence, discretion and intelligence exercises in the management of their own affairs, not for speculation, but for investment, considering the safety of principal as well as the income to be derived.
- b) "PSMC Investment Officials" shall use the "prudent investor" standard applied in the context of managing PSMC's overall portfolio of funds.
- c) Investment Officials acting in accordance with this Investment Policy and exercising due diligence shall be relieved of personal responsibility for market price changes and/or specific credit risks.

8) **IMPARTIAL DECISIONS WITHOUT CONFLICTS OF INTEREST.**

- a) No PSMC Investment Official or other PSMC employee involved in the investment process shall conduct any personal business activity that could conflict with PSMC's proper management of PSMC's portfolio and/or interfere with impartial investment judgment or decisions. Investment Officials or employees involved in the investment process must disclose any financial interests that could be related to the performance of PSMC's portfolio.

9) **DELEGATION OF AUTHORITY.**

- a) The Board of Directors delegates to the Chief Executive Officer the authority to deposit and invest, consistent with this Investment Policy, public monies of the Upper San Juan Health Service District that does business under the trade name Pagosa Springs Medical Center.
- b) The Chief Executive Officer delegates to the Chief Financial Officer and/or the Controller the authority to deposit and invest, consistent with this Investment Policy, public monies of the Upper San Juan Health Service District that does business under the trade name Pagosa Springs Medical Center.
- c) Other than the Investment Officials named herein, no other person is authorized to invest on behalf of PSMC.

## APPENDIX A

### PSMC'S INVESTMENT FIRM, BROKER OR DEALER QUESTIONNAIRE

- A. Current firm name:
- B. Home office address:
- C. Colorado office address:
- D. Persons and office location who would provide service to PSMC:
- E. Approximately how many clients does your Colorado office represent and how many are public sector clients?
- F. Of the PSMC's Authorized Investments, what does your firm regularly offer?
- G. Describe fees that will be charged to PSMC for your services or the Authorized Investments:
- H. Has your firm or any of its employees ever been subject to a regulatory or state/federal agency investigation for alleged improper, fraudulent, disreputable or unfair activities relating to PSMC's Authorized Investments or the sale of securities?
- I. What is your firm's total capital as of the last audited financial period?
- J. Describe how investments are secured. In addition, for savings, money market or certificates of deposit, how are such funds secured in compliance with the PDPA?
- K. Describe precautions of your firm to protect the interest of the public when dealing with government sector clients. In addition describe the procedures and controls that are in place to assure that PSMC investments are made consistent with PSMC's Investment Policy and authorized by PSMC.
- L. Please describe the regular transaction, monthly, quarterly and annual reports you issue and provide samples:

**UPPER SAN JUAN HEALTH SERVICE DISTRICT  
D/B/A PAGOSA SPRINGS MEDICAL CENTER**

**Formal Written Resolution 2023-01**

**January 10, 2023**

WHEREAS, the Board of Directors of the Upper San Juan Health Service District d/b/a Pagosa Springs Medical Center (“PSMC”) has reviewed and contemplated a policy for investing its funds.

**NOW, THEREFORE, THE BOARD OF DIRECTORS HEREBY RESOLVES TO:**

- approve the Board of Directors Investment Policy; and
- affirm the delegated authority to the CEO (Rhonda P. Webb, M.D.) to deposit and invest PSMC funds consistent with the Board’s Investment Policy; and
- affirm that the CEO may delegate to PSMC’s Chief Financial Officer (Chelle Keplinger-Kloep) and/or PSMC’s Controller (Steve Wagoner) the authority to deposit and invest PSMC funds consistent with the Board’s Investment Policy;
- such investments shall be reported to the Board’s Finance Committee and the Board at regularly scheduled meetings of the same.

ADOPTED and APPROVED by the Board of Directors this 10<sup>th</sup> day of January, 2023.

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Matt Mees, Chair of the Board of Directors  
and President of the District