



CITY OF WEST WENDOVER

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WEST WENDOVER CITY COUNCIL MINUTES OF THE REGULAR MEETING OF NOVEMBER 17, 2009

The West Wendover City Council met for a regular meeting on November 17, 2009. The meeting was held at the West Wendover City Hall, Council Chambers #137. Mayor Andersen presided.

Council Members Present: Bryant Blake, Roy Briggs, Emily Carter, Johnny Gorum and Alan Rowley II

Others Present: Thomas Chase, Mark Stock, Pamela Smith, Blaine Becker, Dixie Melville, Kris Andersen, April Prieto, Heidi Lewis, Ron Supp, Craig Neeley, Shawn Gregory, Boy Scout Troop #140, Reese Melville, Scott Weyland, Tammera Weyland, Pete Hansen, Lorena Gonzalez, Jared Carter, Sondra Schmidt, Bryce Kimber, Jeff Knudtson, Chris Melville and Anna Bartlome

1. CALL TO ORDER AND ROLL CALL

Mayor Andersen called the meeting to order at 7:00 p.m. All those present and excused are noted above.

2. PLEDGE OF ALLEGIANCE

Mayor Andersen led those present in the Pledge of Allegiance.

3. COMMENTS FROM THE GENERAL PUBLIC:

None offered or received.

4. *APPROVAL OF THE MINUTES:

Council Member Rowley II had a change to the minutes of November 3, 2009.

Under Communications, the change is as follows:

“Council Member Blake asked if lowering the setbacks and having no variances could be brought back to an agenda for further discussion.”

Council Member Carter made the motion to approve the minutes of the regular meeting of November 3, 2009 with the change as noted above. The motion was seconded by Council Member Rowley II and passed unanimously.

5. NEW BUSINESS

***a. Discussion and Decision Regarding Possible Donation to the Boy Scouts of America Troop 140 and Other Matters Appropriately Related Thereto**

George Johnson and several members of Troop 140 explained the various projects and events that they participate in, that one service project was completed each month, that over 200 hours of community service was performed in September and how scouting helps teach skills that will be used throughout their life. Council Member Carter disclosed that her son is a scout and she would be abstaining from voting. Chris Melville explained that this was the highest rated group to ever come before the City. Council Member Gorum made the motion to donate \$1,400.00 to the Boy Scouts of America Troop 140. The motion was seconded by Council Member Briggs and passed, Council Member Carter abstained.

***b. Discussion and Decision for Approval of Donation to the 17th Annual Christmas Festival and Other Matters Appropriately Related Thereto**

Shawn Gregory explained that this is the 17th annual festival and that the City has graciously donated to it every year. Shawn further explained that the money raised at the festival goes back into the community through various events by the REC District held throughout the winter. Council Member Gorum made the motion to donate \$500.00 to the 17th Annual Christmas Festival. The motion was seconded by Council Member Carter and passed unanimously.

***c. Discussion and Decision to Approve and Authorize the Mayor to Execute the Renewal and Amendment to Agreement for Transportation of Ore Through the City of West Wendover Between City of West Wendover, Nevada and Robinson Nevada Mining Company and Other Matters Appropriately Related Thereto**

Chris Melville explained that the agreement has already been executed by Robinson Nevada Mining Company and amends the existing agreement. Chris explained that the amendment addresses the term of the agreement (additional five years), adjusts payments and provides a one-time payment of \$60,000.00 for rehabilitation of Airport Way. Council Member Carter made the motion to approve and authorize the Mayor to execute the renewal and amendment to Agreement for Transportation of Ore through the City of West Wendover between City of West Wendover, Nevada and Robinson Nevada Mining Company. The motion was seconded by Council Member Gorum and passed unanimously.

***d. Discussion and Decision for Approval of Final Site Plan for the West Wendover Recreation District Recreation Center and Other Matters Appropriately Related Thereto**

Chris Melville explained that after the review there are still items to be addressed before final approval is given. Chris stated that a memo has been given to the architect explaining the changes and the architect will be in contact when ready for final approval. Chris asked for item to be forwarded. Council Member Carter made the motion to forward this item. The motion was seconded by Council Member Briggs and passed unanimously.

***e. Discussion and Decision to Accept the Recommendation of Nevada Health Centers, Inc., to Reduce Provider Levels at the West Wendover Clinic and Other Matters Appropriately Related Thereto**

Tom Chase, CEO of Nevada Health Centers, Inc. went through the responses to the questions provided to him (see attached). Tom Chase further explained that there has been an increasing inability to pay, cash flow has been affected, and currently two providers seeing 2.5 patients per hour has only exceeded the supply of appointments two months this calendar year. General discussion was had regarding number of providers at clinic, patient rate, and when are payments shown on the books.

Agenda taken out of order, Public Hearing heard next, see below.

General discussion was had regarding no show appointments, having a cancellation policy, how allocations are expensed (combined for all of Nevada Health Centers clinics), change in hours, staffing, process for collecting bad debt. More discussion was had regarding the hours of operation and having a third provider. Discussion was had regarding how many patients lost during emergency, bringing collections to small claims court, advertising generally and the hours of operation. Council Member Carter made a motion to forward this item to the next meeting. The motion was seconded by Council Member Briggs and passed unanimously.

***f. Discussion and Decision to Approve and Authorize the Mayor to Execute the Addendum to Contract Services and Lease Agreement with Nevada Health Centers, Inc., with Regard to Certain Contributions for the Second Physician (Dr. Hsing) and Other Matters Related Thereto**

Chris Melville explained that this was the agreement between the City and Nevada Health Centers, Inc. for the contributions for the second doctor. The agreement outlines the amounts

for each year of the agreement for the doctor, year one is \$27,000.00, year two \$17,505.00 and year three \$18,034.00. Council Member Blake made the motion to approve and authorize the Mayor to execute the Addendum to Contract and Lease Agreement with Nevada Health Centers, Inc., with regard to certain contributions for the second physician (Dr. Hsing). The motion was seconded by Council Member Carter and passed unanimously.

***g. Discussion and Decision to Approve and Authorize the Mayor to Execute the Contract for Contribution to the West Wendover Medical Clinic between the City and Peppermill Casinos, Inc., for Certain Monetary Contributions and Other Matters Appropriately Related Thereto**

Chris Melville explained that this is for the agreement between the City and Peppermill Casinos, Inc., which outlines the contributions from the Peppermill to the City and then from the City to Peppermill. Council Member Gorum disclosed that he works for Peppermill Casinos, Inc. but would not personally benefit from this item. Council Member Carter disclosed that she works for Peppermill Casinos, Inc. but would not personally benefit from this item. Council Member Briggs disclosed that he works for Peppermill Casinos, Inc. but would not personally benefit from this item. Council Member Rowley II disclosed that he works for Peppermill Casinos, Inc. but would not personally benefit from this item. Council Member Blake made the motion to approve and authorize the Mayor to execute the contract for contributions to the West Wendover Medical Clinic between the City and Peppermill Casinos, Inc., for certain monetary contributions. The motion was seconded by Council Member Carter and passed unanimously.

***h. Discussion and Decision to Approve the Supplemental Protocol and Procedures for the BLM Stipulation Agreement with Regard to the Long Canyon Exploration Project for the Triggers (Turbidity and Flow) in Issuing Orders to Stop Drilling and Subsequent Procedures for Orders to Recommence Drilling in Regards to Johnson Springs and Other Matters Appropriately Related Thereto**

Chris Melville explained that the letter being presented would be sent to the BLM with regard to the protocols. Chris explained that at a staff meeting for Johnson Springs the letter was reviewed with one change to how Fronteer Development is contacted; the change would state that *“one of the following would be notified.”* Craig Neeley explained that after Fronteer Development requested approval to drill below Johnson Springs the BLM wanted specific information on what type of event would trigger specific actions. Mark Stock representing Fronteer Development introduced Pamela Smith who is the new community relations representative based in Elko. Mark Stock went over the letter that was to be submitted to the BLM (see attached). It was explained that the same information would be presented to Wendover Utah for their approval also. Mark Stock stated that if approved a letter be sent to BLM explaining that the City agrees with protocols. Council Member Carter made the motion to approve the supplemental protocol and procedures for the BLM Stipulation Agreement with regard to the Long Canyon Exploration Project for the triggers (turbidity and flow) in issuing orders to stop drilling and subsequent procedures for orders to recommence drilling in regards to Johnson Springs. The motion was seconded by Council Member Blake and passed unanimously.

***i. Discussion and Decision to Approve the STOP Grant for a Domestic Violence Advocate and Other Matters Appropriately Related Thereto**

Ron Supp explained that any match the City does would be in-kind and the grant would be for two years if awarded. The grant would be for a domestic violence advocate to be located in the Police Department. Council Member Blake made the motion to approve the STOP Grant for a domestic violence advocate. The motion was seconded by Council Member Briggs and passed unanimously.

6. PUBLIC HEARING

NOTICE, The City of West Wendover will hold a public hearing for the purpose of considering which projects to pursue funding through the Community Development Block Grant Program. **The hearing will be set for Tuesday, November 17, 2009 at 7:30 p.m. at the West Wendover City Hall, Council Chambers #137.** All persons may attend and be

heard. Prior to the meeting, written comments may be filed with the West Wendover City Clerk and will be considered at the hearing.

The Community Development Block Grant Program, (CDBG) is a Federally Funded Program that is administered by the State of Nevada. The national objectives of this program are:

1. To benefit the low and moderate-income persons.
2. To aid in the prevention of and elimination of slums or blight.
3. To meet the Community Developments needs of having a particular urgency when other sources of funding are not available.

In addition, it is the State's goal to give extra consideration to projects addressing documented public health or safety needs or needs identified through a Community Planning Process.

It is anticipated that no displacement of persons will occur as a direct result of these projects: Project Descriptions, Housing Needs Statement, CDBG Requirements, and Past CDBG Project Grant Performance is on file at the City offices and is available for public inspection during normal business hours, from November 3, 2009 to December 15, 2009.

The City of West Wendover does not discriminate on the handicapped status in the admission of access to, treatment, employment or activities in it's federally assisted programs.

Persons with disabilities who require special accommodations or assistance at the meeting should notify the City Clerks Office at 775-664-3081 or at 1111 N. Gene L. Jones Way, West Wendover, Nevada, 89883.

Mayor Andersen closed the regular portion of the meeting and opened the public hearing portion of the meeting.

Chris Melville explained that currently there are no written or verbal comments from the public and the final decision would be at the December 15, 2009 meeting. Chris went through some potential projects, which included a sidewalk project on the east side of Camper Drive from the Library to Wendover Boulevard, a sidewalk project on the east side of Wells Avenue from Butte Street to Wendover Boulevard, a sidewalk project on North Gene L. Jones Way, a sidewalk project to repair various spots throughout the City, a storm drain master plan, an emergency operations development plan and an emergency services interoperability plan.

There being no further public comment Mayor Andersen closed the public hearing and opened the regular portion of the meeting.

Agenda taken back in order, New Business item e continued, see above.

7. COMMUNICATIONS

Council Member Gorum stated that at the last REC District meeting the Utah Golf Association had named Mel Duke as superintend of the year.

8. *APPROVAL OF THE CLAIMS:

Council Member Gorum made the motion to approve the claims of November 17, 2009 and the October hand checks. The motion was seconded by Council Member Carter and passed unanimously.

9. *NEXT MEETING DATE AND ADJOURNMENT

The next meeting date is a regular meeting on December 1, 2009 at 7:00 p.m. at the West Wendover City Hall, Council Chambers #137. Council Member Carter made the motion to

adjourn at 9:05 p.m. The motion was seconded by Council Member Briggs and passed unanimously.

ATTEST:

Anna E. Bartlome
City Clerk/Records Officer

Responses to Questions from City of West Wendover

Nevada Health Centers, Inc.

Thomas G. Chase

Chief Executive Officer

November 17, 2009

1. Would creating more exam rooms increase revenue, since more patients per hour could be seen?

and

2. If there is not a third provider, is there a need for additional exam rooms?

The short answer is no, so long as demand does not escalate beyond 10,000 encounters per annum. We have analyzed the encounter data against the schedules (See Attachment A). At 2.5 patients per hour for two providers, the schedule exceeds the supply of appointment slots in only two months this calendar year. After no shows, net demand is less than 80% of supply.

At the same time, additional space would make patient flow more efficient and allow the support staff to accomplish more in support of the providers. As demand increases in the future, this would be a good surrogate for additional labor expenditures in the short run.

3. Is it possible that there are cuts that could be made with other staffing positions? Recently a position has been advertised and/or filled for another office person. What impact did a decision such as that have on overall expenses and the impact on the hiring potential of the P.A. and why would additional staff be required while reducing providers when it is the providers who generate the revenue?

We are currently looking at the option to staff a front office and back office position within one FTE. This issue is independent of the number of providers. The current staffing is appropriate for two providers.

I respectfully decline to discuss the financial impact of any single position. As noted under #1 above, proper support staff structure and function enhances efficiency and productivity. The team generates the revenue. Understaffing support personnel is no more an option than overstaffing for demand.

Finally, providers have not been reduced. Only recently, after the arrival of Dr. Hsing, has staffing risen to 2.6 provider FTE's. NVHC cannot continue to staff at 2.6 provider FTE's when net demand is less than 80% of nominal capacity for 2.0 FTE's.

4. Have you reviewed this information with the doctors? Have you given them a patient quota to reach before you make a final decision?

We have discussed this with Dr. Perumal and Dr. DeGuzman. We have not discussed quotas. We have discussed productivity expectations.

5. Is the West Wendover Clinic the identified clinic most in the red from respect of the other facilities NvHC operates and, if so, why?

Yes. The current projected loss, if no action is taken against the current expense burden is ~\$393,000 (See Attachment B). In FYE 5/31/09, net revenues, including the lease value of the space, barely exceeded labor and space rental costs. The loss approached \$300,000. This year, annualized revenues are nominally higher, but so are expenses.

Wendover is not alone in challenges. Overall, 58% of our patients were uninsured or received some support from public programs other than Medicare or Medicaid in 2008. This has increased to over 64% in 2009. The impact of this varies by community and program.

6. Have you factored in that when an emergency happens (since there is no where else to go reasonably other than the clinic), it decreases the patient count per hour because the provider is being pulled away from the regular patient appointments?

Yes. Averaging 2.5 patients per hour, for two providers, would yield ~8,900 encounters annually for two providers, taking into account paid time off (ETO) and continuing medical education (CME). If the schedules are covered for ETO and CME by locums (internal or external) providers (2.0 patients per hour), capacity increases an additional 1,100 encounters. At current levels of demand, the clinic is projected to have ~8,950-9,000 encounters. Accordingly, at current demand levels, we have ~10% excess capacity, even with only 2.0 provider FTE's.

7. Wouldn't cutting out the locums doctor decrease expenses? What is the total expense incurred for that position?

Yes. That is the essence of our proposal. See Attachment C. Depending on the options we choose to implement, the savings can range from \$158,000 to \$215,000.

8. Have you allowed for ample time for the now permanent doctors (which came online just recently) to rebuild a base of patients that was certainly degraded over the last several years since the departure of the original two permanent doctors?

Yes. Demand has been essentially flat at the Wendover clinic in the entire 18 months I have been at NVHC. While the last two months are encouraging, they do not yet warrant investing in a full time 3rd provider and the support staff associated with that provider.

9. Are wages for executives such as Tom, Liliam, Pat, etc., being shared with all clinics and how is that allocation done?

Yes. These are a part of the Allocation line in Other Expenses on Attachment B. See the answer below regarding allocations.

10. Are the patient revenues booked when they are billed or when the funds are received?

As earned and billed. However, if patient accounts receivable age beyond 90 days, a progressively more substantial allowance for doubtful accounts is applied. This happens as the accounts age. It is a part of net patient revenue calculated monthly. See Attachment E.

11. Do you have any unpaid patient services that are considered bad debt?

Yes. See Attachment D. Amounts due from individual patients total ~\$600,000. Approximately 45% of these are patient co-pays and deductibles from private insurance. The remaining 55% is due from uninsured patients. The actual amount reserved as uncollectible (bad debt) varies by aging category.

12. Will the new X-ray machine bring in additional revenues?

Nominal, in terms of enhanced billing. Net of storage costs, virtually no net change.

13. Would the addition of extended service hours during the week and/or being open on all weekends raise revenues through additional patient visits that would pay for the third provider and if not why?

An additional provider has an approximate capacity of 3,600 encounters at 2.0 patients per hour. This is 300 patients per month. Currently, at two weekends per month our incremental patient load for weekends is ~15-18 per month.

14. What is the \$10,000 expense in the first quarter under Dues and Memberships?

This appears to be a compilation error in the August financials. This and several other line items were off one line in my spreadsheet. However, the totals are the same. The correct presentation is on Attachment B.

15. What are the Allocation expenses? Most of the other expenses seem to be under from last year other than this expense, why?

The Allocation line item is where the clinic's share of common overhead is shown. It is calculated using the pool allocation method and is based on the clinic's accumulated cost as a % of the total accumulated costs of all clinic locations.

16. How are the funds that the community pays with regard to the doctor's salaries shown in the financials? Where is the income recorded and where is the expense shown?

This a part of the Contract Revenue line. FYE 5/31/2009 included \$37,000 booked in January. Accordingly, it is booked as received and the expense is a part of labor costs.

Attachment A
Scheduled Patient Analysis

YEAR	MONTH	WORKING DAYS	SUPPLY	DEMAND	NO SHOW	NET	Cumulative	Annualized
			(2.5 / Hour)					
			Two Providers					
2009	OCT	21	840	899	110	789	6,690.00	8,028
	SEPT	21	840	941	139	802	5,901.00	7,868
	AUG	21	840	799	119	680	5,099.00	7,649
	JULY	22	880	699	116	583	4,419.00	7,575
	JUNE	22	880	774	158	616	3,836.00	7,672
	MAY	20	800	833	134	699	3,220.00	7,728
	APRIL	22	880	805	134	671	2,521.00	7,563
(2)	MAR	22	880	644	121	523	1,850.00	7,400
(1)	FEB	19	760	755	124	631	1,327.00	7,962
	JAN	21	840	815	119	696	696.00	8,352
			8,440	7,964	1,274	6,690		
				94.36%	16.00%	79.27%		
				<i>of Supply</i>	<i>of Demand</i>	<i>of Supply</i>		

(1) EMR Implementation

(2) Low Point in Last 10 months

Not Apparent if double booking is occurring from viewing the schedules

Attachment B
Nevada Health Centers, Inc.
Wendover Community Health Center
Statement of Revenue and Expenses

	FYE 5/31/2009	For the 3 Months		For the 4 Months	
		Ended 8/31/2009	Annualized	Ended 9/30/2009	Annualized
Revenues					
Federal Grants	\$ 187,020.00	\$ 46,755.00	\$ 187,020.00	\$ 62,340.00	\$ 187,020.00
Contract Revenues	42,500.00	916.68	3,666.72	1,375.00	4,125.00
Donations - In-Kind	39,999.96	9,999.99	39,999.96	13,333.32	39,999.96
Other Revenue	1,200.00	300.00	1,200.00	400.00	1,200.00
Net Patient Revenue	538,975.72	130,429.97	521,719.88	189,837.89	569,513.67
Total Revenues	809,695.68	188,401.64	753,606.56	267,286.21	801,858.63
Expenses					
Labor					
Salaries	500,579.94	116,738.34	466,953.36	181,811.65	545,434.89
Benefits	110,584.00	22,660.74	90,642.96	33,178.12	99,534.36
Contracted Services	143,083.88	34,686.00	138,744.00	52,139.13	156,417.39
Total Labor	754,247.82	174,085.08	696,340.32	267,128.88	801,386.64
Supplies & Minor Equipment					
Medical Supplies	24,130.40	4,918.18	19,672.72	6,929.70	20,789.10
Pharmaceuticals	8,298.01	2,571.59	10,286.36	5,036.97	15,110.91
X-Ray Supplies	4,605.54	678.98	2,715.92	678.98	2,036.94
Office & Other Supplies	5,829.37	1,380.38	5,521.52	1,822.29	5,466.87
Minor Equipment	2,311.27	0.00	0.00	0.00	0.00
Total Supplies & Minor Equipment	45,174.59	9,549.13	38,196.52	14,467.94	43,403.82
Travel					
Provider Travel	24,699.40	6,355.19	25,420.76	9,355.87	28,067.61
Continuing Education	2,291.92	399.00	1,596.00	399.00	1,197.00
Admin/Conference Travel	1,934.17	455.61	1,822.44	560.04	1,680.12
Total Travel	28,925.49	7,209.80	28,839.20	10,314.91	30,944.73
Purchased Services					
Fees	98.00	100.00	400.00	100.00	300.00
Legal Fees	3,000.00	0.00	0.00	0.00	0.00
Laboratory Fees	12,600.63	2,735.56	10,942.24	3,764.80	11,294.40
X-Ray Fees	14,820.00	2,240.00	8,960.00	2,720.00	8,160.00
Printing	880.26	0.00	0.00	0.00	0.00
Recruiting	13,752.11	500.00	2,000.00	623.50	1,870.50
Repairs & Maintenance	9,920.90	1,098.39	4,393.56	1,335.07	4,005.21
Total Purchased Services	55,071.90	6,673.95	26,695.80	8,543.37	25,630.11
Rent Expense					
Rents	39,999.96	9,999.99	39,999.96	13,333.32	39,999.96
Total Rent Expense	39,999.96	9,999.99	39,999.96	13,333.32	39,999.96
Other Expenses					
Depreciation	3,880.84	3,557.38	14,229.52	4,817.76	14,453.28
Postage	2,347.49	471.83	1,887.32	533.33	1,599.99
Dues & Memberships	0.00	0.00	0.00	540.00	1,620.00
Utilities & Disposal	31,004.18	10,631.74	42,526.96	14,449.81	43,349.43
Telephone	5,222.20	1,214.40	4,857.60	1,610.10	4,830.30
Moving Expenses	0.00	0.00	0.00	6,139.85	18,419.55
Insurance	163.62	72.75	291.00	97.00	291.00
Tax & Licenses	3,525.50	721.00	2,884.00	721.00	2,163.00
Education & Outreach	2,626.91	193.95	775.80	228.86	686.58
Interest, Penalties, Other	2,912.89	1,670.97	6,683.88	1,919.04	5,757.12
Miscellaneous	1.80	0.00	0.00	0.00	0.00
Allocations	126,323.74	42,955.99	171,823.96	53,737.35	161,212.05
Total Other Expenses	178,009.17	61,490.01	245,960.04	84,794.10	254,382.30
Total Expenses	1,101,428.93	269,007.96	1,076,031.84	398,582.52	1,195,747.56
Net Income (Loss)	\$ (291,733.25)	\$ (80,606.32)	\$ (322,425.28)	\$ (131,296.31)	\$ (393,888.93)
Qualified Encounters	7,587	1,746	6,984	2,428	7,284
Non-Qualified Encounters	1,491	501	2,004	553	1,659
Total Encounters	9,078	2,247	8,988	2,981	8,943
Net Revenue Per Encounter	\$ 59.37	\$ 58.05	\$ 58.05	\$ 63.68	\$ 63.68

Attachment C
Nevada Health Center, Inc.
Wendover Clinic Hour Restructure

Proposal 1

Two Physicians.

Open two Saturdays per month.

With this option, the two physicians will alternate the 1st and 3rd Saturday each month. The 2nd and 4th week of each month will be Monday through Friday only.

<u>Item</u>	<u>Comments</u>	<u>Est. Cost</u>
	Current Liability (Year loss)	-\$393,000
Elimination of Locums Provider		\$156,000
Elimination of Locums Travel & Housing	Estimated	\$25,000
	Total ---->	-\$212,000

Proposal 2

Two Physicians.

Clinic Open Monday through Friday only.

Physician On-Call for emergencies on Saturday from 8 to 5.

With this option, the two providers would trade off on who would be On-Call from 8 am to 5 pm on Saturdays. If deemed necessary by the provider or the ambulance EMT staff, the provider will go into the clinic to perform necessary services.

<u>Item</u>	<u>Comments</u>	<u>Est. Cost</u>
	Current Liability (Year loss)	-\$393,000
Elimination of Locums Provider		\$156,000
Elimination of Locums Travel & Housing	Estimated	\$25,000
Elimination of one (1) Front Office Clerk	Train one (1) MA to Float between front & back office for shortages	\$37,000
Yearly Provider On-Call	\$250 per day	-\$13,000
Actual Provider patient Contact	Estimated \$50 per patient seen	-\$7,800
	Total ---->	-\$195,800

Proposal 3

Two Physicians.

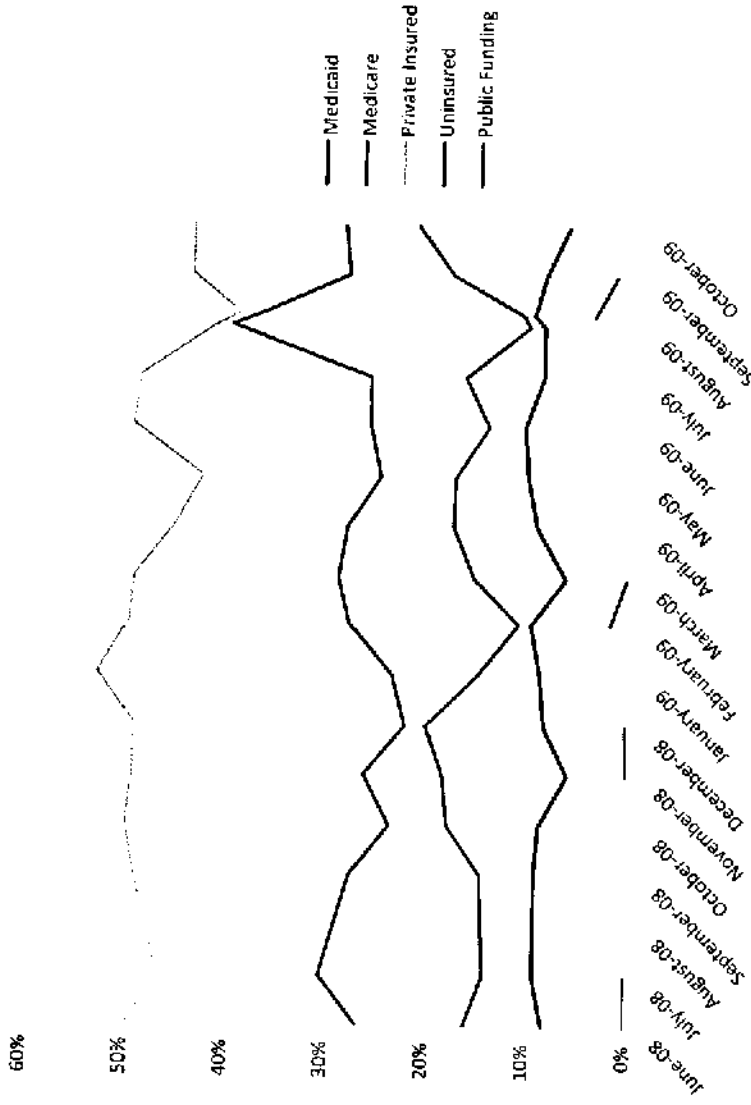
Clinic Open Monday through Friday only.

Physician On-Call for emergencies on Saturday & Sunday from 8 to 5.

With this option, the two providers would trade off on who would be On-Call from 8 am to 5 pm on Saturday and Sundays. If deemed necessary by the provider or the ambulance EMT staff, the provider will go into the clinic to perform necessary services.

<u>Item</u>	<u>Comments</u>	<u>Est. Cost</u>
	Current Liability (Year loss)	-\$393,000
Elimination of Locums Provider		\$156,000
Elimination of Locums Travel & Housing	Estimated	\$25,000
Elimination of one (1) Front Office Clerk	Train one (1) MA to Float between front & back office for shortages	\$37,000
Yearly Provider On-Call	500 per weekend	-\$26,000
Actual Provider patient Contact	Estimated \$50 per patient seen	-\$13,000
	Total ---->	-\$214,000

**Attachment D
Patient Payor Mix Trends**



	August-08	September-08	October-08	November-08	December-08	January-09	February-09
Medicaid	11%	15%	18%	18%	20%	15%	11%
Medicare	10%	9%	9%	6%	8%	9%	10%
Private Insured	39%	49%	50%	49%	49%	53%	50%
Uninsured	37%	27%	24%	26%	22%	23%	28%
Public Funding	4%			0%	0%		2%

	March-09	April-09	May-09	June-09	July-09	August-09	September-09	October-09
Medicaid	15%	18%	17%	14%	17%	10%	18%	21%
Medicare	6%	9%	10%	11%	9%	9%	9%	6%
Private Insured	49%	45%	43%	49%	49%	41%	44%	44%
Uninsured	29%	28%	25%	26%	26%	40%	28%	29%
Public Funding	0%		5%					

**Attachment E
Wendover**

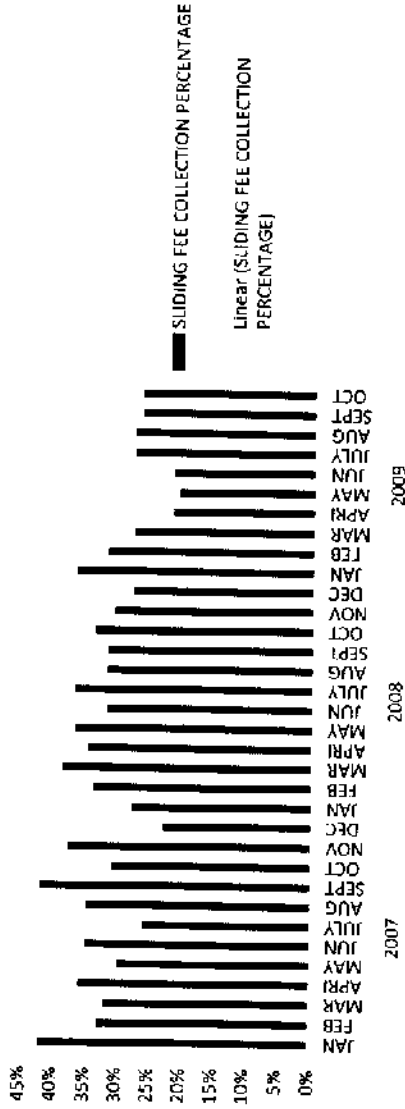
Patient Uninsured Cash Collection Percentages and Patient Aged Accounts Receivables

	Pat Amt		0-30		31-60		61-90		91-120		121-150		151-180		181-yr	
Patient Balance after Insurance	\$273,217.45	\$13,519.25	\$16,341.48	\$14,261.03	\$6,829.91	\$10,527.71	\$11,519.86	\$200,218.21								
Uninsured Patient Balance	\$335,014.12	\$12,236.15	\$13,794.94	\$10,736.27	\$4,298.95	\$7,285.33	\$9,602.15	\$277,060.33								
	\$608,231.57	\$25,755.40	\$30,136.42	\$24,997.30	\$11,128.86	\$17,813.04	\$21,122.01	\$477,278.54								

Insured %	44.92%	52.49%	54.23%	57.05%	61.37%	59.10%	54.54%	41.95%
Uninsured %	55.08%	47.51%	45.77%	42.95%	38.63%	40.90%	45.46%	58.05%

Reserve	\$284,641.28	\$1,545.32	\$4,520.46	\$6,249.33	\$3,895.10	\$9,262.78	\$10,983.45	\$248,184.84
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Chart Title



This report represents the challenge with cash receivables at Wendover from patients. The aging grid is focused on amounts due by patients whether uninsured or insured. The bottom chart represents the Sliding Fee Collection Percentage at the time of service. When correlated to the aging grid it is apparent that, if we do not collect at the time of service, we are fairly certain that it is unlikely we will collect.

Fronteer

Development (USA) Inc.

November 12, 2009

Johnson Springs
Committee

West Wendover City Council
c/o Chris Melville, City Manager
P.O. Box 2825
West Wendover, NV 89883

Wendover City Council
c/o Glenn Wadsworth City Manager
P.O. Box 430
Wendover, UT 84083

RE: Request for Approval of Attached Letter to BLM Describing the Long Canyon Exploration Project Flow Meter Installation and Drilling Notification Protocol

Dear Johnson Springs Committee and West Wendover and Wendover City Councils:

Fronteer Development (USA) Inc. is seeking your approval of the attached proposed letter to Mr. Frank Bergwall with the Elko District Office of the Bureau of Land Management. The letter describes Fronteer's intent to provide West Wendover, NV and Wendover, UT ("the Cities") with the resources necessary to install a second flow meter at Johnson Spring. The new flow meter would supplement the data being collected from the existing flow meter and would provide a more accurate measurement of the total flow of the Spring. The data collected from the new flow meter would be used to develop a flow reduction criterion that the Cities would use to assess whether drilling activities might be impacting Johnson Springs.

As explained in the proposed letter to BLM, data from the turbidity meter will also be used to assess potential impacts due to drilling. The proposed turbidity criterion is an increase to 1 NTU over a 90-second period.

The proposed letter to BLM also outlines the notification protocol that would be followed and the steps that would be taken in the event that: any exploration drill hole within a one-mile radius of Johnson Springs encounters artesian flow to the surface, or the turbidity or flow meter data indicate that either the flow reduction or the turbidity increase criteria have been met or exceeded.

Fronteer has worked very closely with Mr. Neeley to develop the protocol described in the proposed BLM letter. We feel that this protocol will allow the Cities to make optimal use of the monitoring data that are being collected at Johnson Springs and will also provide the Cities with extra safeguards to protect Johnson Springs.

Fronteer very much appreciates your consideration of the measures described in the proposed BLM letter and look forward to discussing these measures with you at your meetings on November 17th and 18th.

Sincerely yours,

Jim Lincoln
President

Attachment: Proposed Letter to BLM

Fronteer

Development (USA) Inc.

PROPOSED LETTER TO BLM

November __, 2009

Mr. Frank Bergwall
Elko Field Office
Bureau of Land Management
3900 East Idaho Street
Elko, NV 89801

RE: Long Canyon Exploration Project (NVN082445) Flow Meter Installation and Drilling Notification Protocol

Dear Frank:

Introduction

I would like to thank you and Mark Dean for meeting with me, Debra Struhsacker, Mark Stock, and the City of West Wendover's Engineer, Craig Neeley, on October 22nd to discuss the flow fluctuation data for Johnson Springs. As we discussed, the flow meter that the City of West Wendover has installed at Johnson Springs is not optimal for the spring flow monitoring purposes needed for Fronteer's exploration drilling activities at Long Canyon. A more accurate way to measure the flow of Johnson Spring is needed in order to develop a meaningful Spring Flow Reduction Trigger that can be used as one of BLM's stipulations for the Long Canyon exploration drilling project. Therefore, Fronteer committed to work with the Cities of West Wendover and Wendover ("the Cities") to identify a flow meter capable of making more accurate spring flow measurements and to pay for the acquisition, installation, and calibration of the selected flow meter.

We have also worked closely with Mr. Neeley to develop the Drilling Notification Protocol discussed below and described in Table 1. Fronteer presented this Drilling Notification Protocol to the Johnson Springs Committee for consideration at the Committee's November 17, 2009 meeting. Fronteer also presented the Protocol to the West Wendover City Council on November 17th and the Wendover City Council on November 18th.

New Flow Meter

Working with Mr. Neeley, we have identified an in-line flow meter that we believe will provide spring flow data that will be more appropriate for monitoring changes in spring flow than the current flow meter. Fronteer is proposing to pay for all costs associated with

purchasing this meter and retaining a qualified contractor to install this meter by February 28, 2010. Once installed, the new flow meter will be connected to the Cities' telemetry system to provide continuous, real-time spring flow monitoring data. We anticipate that it may take several weeks to test and calibrate the newly installed flow meter to ensure it is working properly. We plan to complete this testing and calibration period and have the new meter fully operational prior to the start-up of the 2010 exploration drilling program. The existing flow meter will remain in place and operational to provide supplemental flow data at the spring. However, because the new meter will provide better accuracy it will serve (after testing and calibration) as the primary flow monitoring device to which the flow reduction trigger will be tied.

Once the new meter has been installed, tested, and calibrated, Fronteer and the Cities will collect a minimum of one month of data to evaluate any measured spring flow fluctuation and assess the extent to which such fluctuation may be due to instrumentation limitations. Based on the results of that evaluation, Fronteer and the Cities will then work together to identify an appropriate Spring Flow Reduction Trigger based on the data from the new flow meter that can serve as the new spring flow reduction stipulation. We agreed at the October 22nd meeting to propose to the Cities that between now and when the new flow meter is installed, tested, and the new trigger is established, that the interim Spring Flow Reduction Trigger would be a 20 percent reduction in the average daily flow rate over a period of two weeks as measured by the existing flow meter.

Turbidity Meter

In compliance with one of the conditions of approval in BLM's September 15, 2008 Decision letter approving the Long Canyon Exploration Project Plan of Operations, Fronteer purchased a turbidity meter which the Cities installed at Johnson Spring. The alarm setpoint for this turbidity meter is an increase to 1 NTU over a period of 90 seconds. The pumps will automatically shut off and the operators will be called if this turbidity condition is met or exceeded. For the purposes of the Trigger Notification Protocol described in Table 1, the turbidity meter alarm setpoint will be defined as the trigger level for turbidity.

Distance and Depth Buffer Zones

Several years ago the Cities, in negotiations with Big Springs Ranch, established that a buffer zone of a one-mile radius from Johnson Spring is an appropriate distance from the spring to minimize concerns about potential impacts due to water well drilling activities. The Cities and Fronteer have agreed to apply this buffer zone concept to Fronteer's mineral exploration drilling activities. This buffer zone will be known as the "Distance Buffer Zone."

In addition to the Distance Buffer Zone, the Cities and Fronteer also established a "Depth Buffer Zone" at the 5,700-ft AMSL elevation for holes within the Distance Buffer Zone. The elevation of the Depth Buffer Zone was selected to provide a 20-foot buffer zone above the elevation of Johnson Spring (5,680 ft AMSL).

Trigger Notification Protocol

At our October 22nd meeting, you requested that Fronteer provide BLM with a notification protocol to be followed in the event the monitoring data indicate that a reduction in spring flow and/or an increase in turbidity exceed the trigger levels. To satisfy this request, Fronteer has worked with the Johnson Spring Committee, which is comprised of officials from the Cities, to develop the notification protocol discussed below and shown in Table 1.

In the event that either the turbidity, flow reduction, or artesian flow triggers are met within the Distance Buffer Zone, the Cities may require that drilling below the Depth Buffer Zone be stopped until the data are evaluated to determine the reason the trigger threshold was exceeded. Thus, if the turbidity meter or flow meter trigger thresholds are met or exceeded, drilling would stop at any drill hole being drilled below the elevation of 5,700 ft (the Depth Buffer Zone) within a one-mile radius of Johnson Spring (the Distance Buffer Zone.) Drilling at sites located more than one mile away from Johnson Spring (i.e., outside the buffer zone) and holes within the buffer zone that are not planned to be drilled below 5,700 ft would not have to stop. Any hole within the Distance Buffer Zone that encounters water that is artesian to the surface would have to be immediately sealed following Nevada Division of Water Resources sealing requirements for artesian wells at NAC 534.378

Table 1	
Long Canyon Drilling Notification and Response Protocol	
Event	Response
Any exploration drill hole within the one-mile Distance Buffer Zone that encounters water that is artesian to the surface	Fronteer immediately takes appropriate measures to plug and abandon the hole or otherwise control the artesian flow. Fronteer notifies BLM and the Cities as soon as possible but no later than within 24 hours.
Telemetry data indicate a reduction in spring flow and/or an increase in turbidity that exceed trigger levels	West Wendover City Manager or Director of Public Works notifies the following Fronteer personnel: <ol style="list-style-type: none"> 1. Jim Lincoln (775/856-3000); or 2. Moira Smith, Project Manager (775/777-2900); or 3. Troy Fierro (604/803-9364) The cities will immediately send staff to Johnson Springs to evaluate field conditions
Fronteer provides drilling data for all holes being drilled or recently drilled within the Distance Buffer Zone to Cities and BLM and schedules a conference call or a meeting	Within 24 hours: <ol style="list-style-type: none"> 1. Fronteer provides Cities and BLM with information on location, depth, hydrologic characteristics of current and recent drill holes within the one-mile Distance Buffer Zone, and other information requested by Cities 2. Fronteer, the cities, and BLM schedule a

Table 1	
Long Canyon Drilling Notification and Response Protocol	
Event	Response
	conference call or a meeting to discuss monitoring and drilling data and to determine appropriate response to the trigger event
Meeting or conference call to discuss monitoring data and develop action plan.	As soon as possible, but no later than within 24 hours, Fronteer, the Cities and BLM meet or have a conference call to evaluate the monitoring data to determine whether the observed changes in spring flow or turbidity may be due to the exploration drilling. An appropriate Action Plan is developed in response to this evaluation. At this point, the Cities will have the right to require cessation of drilling below the Depth Buffer Zone (e.g., below 5,700 ft) within the one-mile radius Distance Buffer Zone until the reason the trigger threshold was exceeded is resolved to the satisfaction of the Cities.
Fronteer implements Action Plan	Fronteer immediately takes steps to implement the agreed upon Action Plan.

Once again, I would like to thank you for the opportunity to meet with you on October 22nd. Fronteer will keep BLM informed regarding our progress in installing and calibrating the new flow meter at Johnson Spring. Please do not hesitate to contact me if you have any questions.

Sincerely yours,

JIM Lincoln
President

cc: Mr. Chris Melville, West Wendover City Manager
Mr. Glenn Wadsworth, Wendover City Manager
Mr. Craig Neeley, Consulting Engineer, City of West Wendover