

**To:** Cory Workman, Board Chair  
Park Hospital District

**Date:** February 24, 2026

**From:** David H. Snow

**Re:** Assessment of EVV Commentary  
and Article

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This memorandum responds to your request for our observations and assessment of various aspects of the commentary posted on the Estes Valley Voice (“EVV”) publication website dated February 17, 2026 by Directors Leigh and Foust (“Commentary”). In addition, EVV posted its own news article, dated February 21, 2026 (“Article”), that featured extensive comments reportedly made by Director Foust as Treasurer of the Park Hospital District (“District”).

For the reasons described below, we conclude that the content of the Commentary and Article are not consistent with good governance practices and raise serious questions about the authors complying with their fiduciary duty to the District. We strongly recommend that the District adopt a Director Code of Conduct Policy and that the District formally affirm its commitment to following the terms of the Definitive Agreements (defined below) with UCHealth.

### **February 17 Commentary**

In summary, the Commentary is replete with inaccuracies and misrepresentations as further explained below. In addition, the various demands and assertions made relative to the arrangements with UCHealth, if implemented as suggested by the authors, would likely place the District in breach of the District’s November 30, 2025 Health System Operating Lease Agreement, and Integration and Affiliation Agreement Lease with UCHealth (collectively, the “Definitive Agreements”).

The Commentary appears to suggest that certain aspects of the Definitive Agreements’ terms may be improper under applicable law. However, this is not the case. Proper procedures were followed, regulatory approvals were received, and the arrangements with UCHealth established by the Definitive Agreements are allowed by and consistent with applicable state law governing special districts and Colorado hospitals.

In May 2023, the District initiated a voter referendum seeking voter delegation of authority to enter into long term arrangements relative to its healthcare operations.

Without imposing any new tax or increasing any tax rate, shall Park Hospital District, doing business as Estes Park Health, be authorized to enter into one or more agreements, constituting a multiple fiscal year financial obligation within the meaning of Article X, Section 20(4)(b) of the Colorado Constitution, with one or more nonprofit health care providers concerning the ownership, operation, and maintenance of all or any portion of the District’s hospital and other healthcare and related facilities and assets, including the lease or other conveyance from the District of real and personal property, and to pledge all or any portion of the District’s revenues pursuant to such agreements?

This referendum was approved by over 80% of the votes cast. Pursuant to that delegation of authority the District negotiated and entered into the Definitive Agreements. The Colorado Statutes, C.R.S. § 32-1-1003, specifically allow health service districts to indirectly establish, maintain, or operate healthcare facilities through lease or other arrangements with other parties. This is the structure created by the Definitive Agreements.

Following voter approval through the referendum, and as required by Colorado law, the District then sought the approval of the Colorado Attorney General under the Colorado Hospital Transfer Act and the Attorney General's common law authority over charitable assets. After extensive review of the Definitive Agreements and a public hearing, that approval was obtained on September 22, 2025. Next, as required by Colorado law governing special districts, the District sought the approval of the requisite changes to its Service Plan by Larimer County to accommodate providing its healthcare services indirectly through lease or other arrangements. That approval was obtained at a public hearing of the Larimer County Commissioners on November 10, 2025.

Every step of the way, the District board has followed the necessary procedures and obtained the required approvals to enter into and effectuate the Definitive Agreements. The Commentary calls for the District to take steps that would be contrary to those properly authorized and approved contractual commitments, actions that would likely constitute a breach of the Definitive Agreements and place the future of local healthcare in the Estes Park community in jeopardy.

Although individual directors are certainly entitled to their opinions and should express them as part of the board's decision-making process, once a decision has been made that is duly authorized and adopted by a majority vote of a special district board, all directors – including those that disagree – have a fiduciary duty to respect, support and avoid undermining that decision. The assertions made and actions advocated for in the Commentary undermine the lawfully enacted decision of the Board and may constitute a breach of fiduciary duty to act in the best interests of the District and the Estes Park community that it serves. The best interests of the District were determined by the majority vote of the Board and were consistent with their statutory authority and the delegation of power by District voters.

### **Inaccuracies & Misrepresentations in Commentary**

As noted above, the Commentary includes many inaccuracies and misrepresentations about the District and the Definitive Agreements. Following is an explanation of the more egregious statements.

This is not a Management Agreement: The Commentary states that UCHealth was engaged to **manage** the community hospital. This reflects a fundamental misunderstanding of the Definitive Agreements. The arrangement with UCHealth is not a hospital management agreement. The Definitive Agreements transferred ownership of the hospital and related healthcare operations to UCHealth's subsidiary Estes Valley Medical Center ("EVMC"). EVMC is a separate Colorado nonprofit corporation operating as a subsidiary of UCHealth. It has its own management and Board of Directors. It acquired the license and Medicare certification and other regulatory approvals necessary to operate the local hospital, clinic, and ambulance, among other activities.

The District retains ownership of the real estate which is leased to EVMC, subject to express commitments by EVMC to continue operating the critical access hospital and related activities, use the District's tax revenues locally, regularly report to the District on such use, and invest \$20 million of capital in the local operations over the initial 10 years. Collectively, the Definitive Agreements constitute a "lease or other arrangement" by which the District indirectly provides for the healthcare needs of its residents and visitors.

The District has Two Liaisons with UCHealth/EVMC: The Commentary states that the Board must maintain an active, visible, and authoritative role in the oversight of EVMC, and that the Board must assert a substantive role in the strategic planning for EVMC. In addition, it states that the Board must function as a direct and effective liaison between UCHealth and the community, with lines of communication maintained by a designated board liaison. These comments are deeply concerning, as they reflect a fundamental misunderstanding of the Board's role relative to the operation of EVMC and suggest that the authors have not read the Definitive Agreements or paid enough attention in Board meetings to understand the contractually required structure that addresses these concerns.

The Definitive Agreements provide for a direct liaison arrangement between the District Board and the EVMC Board. Specifically, two of the District directors also serve on the board of EVMC. These two positions were nominated by the Board at a public meeting and were accepted by UCHealth. As such, the two District directors serve as EVMC board members. In addition, the EVMC board must include three other Estes Park community residents. Those positions have been properly filled by UCHealth and the residents are also serving on the EVMC board, all of which is consistent with the Definitive Agreements.

CHNA is Now Legally Required of EVMC: The Commentary calls for the District to complete a community health needs assessment ("CHNA"). The CHNA is a requirement imposed by federal law on private nonprofit hospitals exempt under IRC Section 501(c)(3), as well as by Colorado law on certain hospitals in the state. Prior to December 1, 2025, as a critical access hospital directly operated by a special district, the District was not subject to the federal requirement and was exempt from the state requirement. However, as a result of the indirect arrangements created by the Definitive Agreements, EVMC, as a private non-profit 501(c)(3) entity, will be required to perform a CHNA on a regular basis. Federal law requires EVMC's CHNA to take into account input from persons who represent the broad interests of the community served by the hospital and to make the resulting assessment widely available to the public.

Requiring the District, which no longer operates the hospital, to perform a parallel CHNA with EVMC is not only unnecessary, but also it would impose unnecessary expenses on the District and cause a duplication of EVMC's legally required efforts.

Access to District Records: The Commentary states that the District must directly retain possession of all its records. This is a misrepresentation of Colorado law. A special district is authorized to contract with private parties for the provision of many different types of services, including for serving as a custodian of records. The Definitive Agreements include a provision requiring EVMC

to maintain the records of the District from prior to December 1, 2025, while also allowing the District access to such records as needed for CORA or other purposes, at no cost to the District.

District Budgets and Tax Revenue Use: The Commentary also calls for the District to set its own operating budget and establish policies regarding the use of District tax revenues. In fact, the District Board has already done so through its prior actions, including approving and entering into the Definitive Agreements. As noted previously, in the 2023 referendum District voters authorized the Board to enter into long-term commitments, pledge all or any tax revenues, and transfer or lease its assets and operations. The Definitive Agreements provide for the District to retain a portion of its tax revenues necessary to maintain its status as a special district for audits, elections, and basic operations as a landlord. That amount is adjusted annually for inflation and is to be reviewed every five years for sufficiency.

### **February 21 EVV Article on District Finances**

The EVV article posted February 21, 2026, while authored by EVV reporters, relies extensively on the memo and statements made by Director Foust, who also serves as the treasurer of the District. This article also includes a number of inaccuracies, many of which can be attributed to the comments or written statements made by Director Foust. The questions and concerns raised by Director Foust according to the Article, as explained more fully below, suggest that Director Foust may not have a sufficient understanding of the overall transaction and the terms of the Definitive Agreements to fulfill her responsibilities as treasurer.

December 1, 2025 Financial Statements: First and foremost, the article quotes Treasurer Foust as saying, “a formal financial handoff and December 1 opening balance sheet have not yet been received.” The Article does not state from whom the financial statement should be received. Under Section 7.4(d) of the District’s Bylaws, however, it is the treasurer’s responsibility to “ensure that a permanent, strict and accurate account of all money received by and dispersed for or on behalf of the District is kept.” This is effectively a requirement that the treasurer maintain financial statements for the District. There is no “someone else” who should be preparing and providing those financial statements. Further, all of the information necessary to prepare such financial statements is available to the Board and documented in its records. Those records clearly define what assets were transferred or retained, as well as which liabilities were retained versus those assumed by EVMC.

At a recent regularly scheduled District Board meeting, all directors were provided general information about the District’s assets and liabilities beginning on December 1st, as established by the Definitive Agreements, and were allowed the opportunity to ask questions to fully understand the facts. No such questions were raised or clarifications requested.

District Tax Revenue: The Article references \$249,990 received by the District from a source that the treasurer says needs clarification. However, this amount is quite obviously the Ad Valorem tax revenue the District receives under state law and which is identified in the District’s publicly-approved budget in the estimated amount of \$250,000. This amount represents over 75% of the District’s revenue year-to-date, is clearly called for in the District’s publicly-approved budget, and

should be readily understood by all members of the Board based on their participation in past Board meetings.

Health Insurance Claims: The Article also refers to uncertainty about an estimated run-out of health insurance claims in the amount of \$262,500. This liability relates to former District employee health claims not yet paid that were incurred prior to November 30, 2025. As has previously been reported to the Board in its regularly scheduled meetings, this liability was expressly assumed by UHealth and EVMC in the Definitive Agreements and related documents.

Retained Liability: The Article also states that approximately \$200,000 of severance payments made to former District employees were not reported to the Board. Again, this statement is contrary to the facts. As previously reported to the Board, these two liabilities were not assumed by UHealth and EVMC because they relate to former District employees who did not join UHealth/EVMC. As a result, these liabilities were necessarily and expressly retained by the District.