

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on July 12, 2021 via Zoom in order to comply with Governor Gavin Newsom’s Reopening Plan for California and Executive Order N-29-20. Chairman Sah called the meeting to order at 12:00 p.m.

*CALL  
TO  
ORDER*

Present: Directors Russ Blowers, Steven Chan, D.D.S., Miro Garcia, Sue Querner, Benn Sah, M.D. and Kimberly Hartz, President and Chief Executive Officer

*ROLL  
CALL*

Absent: None

Also present: Chris Henry, Vice President and Chief Financial Officer, Walter Choto, Sr. Director, Ambulatory Care Services, Paul Kozachenko, Attorney and Vanessa Terrasas, Executive Assistant

Guests: Galen R. Hamilton, Chief Operating Officer, Washington Township Medical Foundation, Dan Nardoni, Chief Financial Officer, Washington Township Medical Foundation

A motion was made by Director Blowers, seconded by Director Garcia to approve the minutes of the meeting of February 3, 2021. The motion was carried by the following vote:

*APPROVAL OF  
MINUTES OF  
February 3, 2021*

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah  
Noes: None  
Absent: None  
Abstain: None

Ms. Hartz noted that there was no written or oral communication.

*COMMUNICATIONS*

Ms. Hartz deferred the President and Chief Executive Officer Report to the next scheduled board meeting that is set to take place on August 16, 2021.

*PRESIDENT & CHIEF  
EXECUTIVE OFFICER  
REPORT*

In accordance with Sections 1461, 1462, 32106 and 32155 of the California Health & Safety Code and Sections 54962 and 54954.5 of the California Government Code, Chairman Sah adjourned the meeting to closed session at 12:04 p.m.

*ADJOURN TO CLOSED  
SESSION*

Chairman Sah adjourned the meeting to open session at 1:50 p.m. He reported that no action was taken in closed session.

*ADJOURN TO OPEN  
SESSION*

The Washington Township Medical Foundation (WTMF) Budget Estimate for fiscal year 2021/22 was presented for approval. The budget included total operating revenue of \$49,303,955 and total expenses of \$73,257,051 for a budgeted net loss of (\$23,953,096). The Capital Budget is estimated at \$132,371.

*ACTION ITEMS –  
WTMF Budget Estimate  
FY 2021/22*

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Director Blowers moved to accept the Washington Township Medical Foundation Budget Estimate for fiscal year 2021/22. On a second from Director Chan, the motion was carried with the following vote:

*ACTION ITEMS -  
(CONT'D)  
WTMF Budget Estimate  
FY 2021/22*

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah  
Noes: None  
Abstain: None  
Absent: None

The Washington Township Hospital Development Corporation (DEVCO) Budget Estimate for fiscal year 2021/22 was presented for approval. The budget included total operating revenue of \$42,703,616 and total expenses of \$40,123,032 for a budgeted net income of \$834,895. The Capital Budget is estimated at \$201,968.

*DEVCO Budget Estimate  
FY 2021/22*

The Board members were informed that the Washington Urgent Care closed as of June 30, 2021. More often now, hospitals are collaborating with organizations that specialize in urgent care and have the infrastructure and technology platforms to better serve evolving community needs. Additionally, Washington Urgent Care has seen a steady decline in patient volume in recent years with COVID-19 further impacting the clinic's numbers, which resulted in reduced operating hours.

The Washington Township Medical Foundation (WTMF) has a centralized number for community members and patients to call for same day urgent appointments. Additionally, specific WTMF clinics will be taking over the following services that were available at urgent care: pre-employment screening, worker's compensation and occupational medicine.

Director Chan moved to accept the Washington Township Hospital Development Corporation (DEVCO) Budget Estimate for fiscal year 2021/22. On a second from Director Garcia, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah  
Noes: None  
Abstain: None  
Absent: None

The Washington Outpatient Surgery Center is a California limited liability company where the Washington Township Development Corporation (DEVCO) owns a 50.1% interest. The remaining ownership interests are held by the physician owners. There is a six member Board of Directors governing the WOSC. Three members are appointed by DEVCO and three members are appointed by the physician management services organization.

*Appointment of Tina  
Nunez to the Washington  
Outpatient Surgery  
Center, LLC Board of  
Directors*

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Its current Board of Directors consists of: Kimberly Hartz, Chris Henry, Robert Roth, M.D. as appointed by the DEVCO Board of Directors and Kranthi Achanta, M.D, Steven Andersen, M.D., Annamalai Veerappan, M.D as appointed by the physician management services organization.

*ACTION ITEMS -  
(CONT'D)  
Appointment of Tina  
Nunez to the Washington  
Outpatient Surgery  
Center, LLC Board of  
Directors*

Robert Roth, MD is retiring and therefore it is being recommended for consideration by the Washington Township Hospital Development Corporation Board of Directors to appoint Tina Nunez to the Washington Outpatient Surgery Center as replacement of Robert Roth, M.D.

Director Chan moved to appoint Tina Nunez to the Washington Outpatient Surgery Center as a replacement of Robert Roth, M.D. On a second from Director Garcia, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah  
Noes: None  
Abstain: None  
Absent: None

As the construction of the Peninsula Surgery Center (PSC) comes to an end and preparations are being made to begin operations, additional funding will be required until the center is fully operational.

*Approval of Unsecured  
Revolving Credit Line  
Agreement between  
DEVCO and Peninsula  
Surgery Center, LLC*

Eighty percent of the construction cost was financed through a loan from Fremont Bank. The remainder of the construction cost is required to be funded by PSC.

As the center proceeds with Medicare certification and prepares to open, additional funding is needed to cover the 90-day interim period. Once operations have begun, there is typically an additional 45 to 60 day period before payments are received.

As a result, it is being proposed that DEVCO provide access to working capital in the form of a line of credit of up to \$4 million. The proposed terms are as follows:

- Interest rate of Prime plus 1%
- Floor rate at 4.25%
- Maximum 60 month term
- No annual fee
- Draws available beginning August 1, 2021 as required

To date, DEVCO has provided approximately \$1.7 million in funding that will be rolled into this line of credit.

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Director Querner moved to approve the Unsecured Revolving Credit Line Agreement between DEVCO and Peninsula Surgery Center, LLC. On a second from Director Blowers, the motion was carried with the following vote:

Ayes: Directors Chan, Blowers, Garcia, Querner and Sah  
Noes: None  
Abstain: None  
Absent: None

*ACTION ITEMS -  
(CONT'D)  
Approval of Unsecured  
Revolving Credit Line  
Agreement between  
DEVCO and Peninsula  
Surgery Center, LLC*

There being no further business, the meeting adjourned at 1:58 p.m. The next meeting is currently scheduled for August 16, 2021 at 7:30 a.m.

*ADJOURNMENT*

DocuSigned by:  
*Benn Sah*  
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Benn Sah, M.D.  
Chair

DocuSigned by:  
*Steven Chan*  
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Steven Chan, D.D.S.  
Secretary