

**Board of Directors  
Meeting Minutes  
December 9, 2021**

1. **CALL TO ORDER & ROLL CALL:** Chair Cappel, Vice-Chair Galligan, Director Zell, Director Navarro, Director Pagliaro. All present.

2. **CONSENT CALENDAR**

**Director Galligan** asked for clarification on two items: the lower than usual resident satisfaction score on Trousdale quarterly report and the San Bruno popup vaccination clinic-was it budgeted? **CEO Fama:** Two Trousdale residents expressed frustration with continued Covid-required restrictions causing the lower rating. **CED Wasson:** Community Outreach budget was used for pop up clinic expenses; also, a PHCD grant funds San Bruno Park School District's wellness coordinator. There being no further questions:

***Director Navarro moved to approve the consent calendar and Director Galligan seconded the motion to approve the Consent Calendar as presented.***

***Vote by Roll Call: Ayes: Cappel, Pagliaro, Galligan and Navarro. Noes: none.***

***Abstention: Zell as he did not attend 11/4/21 Board meeting. Motion passed 4/1/0***

3. **ORAL COMMUNICATIONS:**

Michael Shrader, Lindsey Raike, Genie Plato, Astrid Rotteresian, and Glenn Barnhill expressed frustration with Sutter's position not to reopen its Mickelson Therapy pool and concerns about the impact on PHCD residents' health. They asked PHCD board members to demand re-opening as its closure has created a healthcare need.

4. **REPORT OUT FROM CLOSED SESSIONS: 11/22/21 & 12/09/21-** Chair Cappel reported both sessions focused on negotiations with Developers for the Peninsula Wellness Community and a potential property lease terms for PHCD's allcove Teen Drop-In Center.

5. **OLD BUSINESS:**

**A. Presentation of FY 2021 Audit Report- Dennis Christian, Senior Manager at Eide Bailly, LLP**

The FY 2021 audit found all reported financials in order. No adjustments to financial statements and no management recommendations are being made by the auditors.

**Director Zell** reported the Audit was reviewed by the Board's Finance Committee and recommended for approval. There being no questions or further discussion,

***Director Zell moved and Director Galligan seconded accepting the Audit as presented. Vote by roll call: Ayes Cappel, Galligan, Pagliaro, Navarro and Zell; Noes-0; Abstentions-0. Motion passed. 5/0/0***

**B. Perkins- Eastman Senior Services Strategic Planning Proposal:**

**CEO Fama** referenced the proposal presented at the previous Board meeting to engage senior living environment experts from Perkins-Eastman to facilitate a deep dive exploration into the trends and innovations that should be considered by PHCD as the programs and amenities are planned for the Peninsula Wellness Community. That proposal was supported in concept, but contract details were open ended and raised cost concerns. After further meetings with consultants, the engagement process and deliverables were redesigned, and a revised contract was received yesterday and posted on Boarddocs for public view. The new engagement will focus on gathering national experts on the future of age-friendly, innovative senior living communities and through roundtable discussions, help identify possibilities for the PWC that we have not considered. The fee has been reduced to \$23,700 plus out of pocket expenses approved by PHCD, and the contract language was reviewed by Counsel Hudak and found acceptable per the Board's concerns expressed at the last Board meeting. **Director Pagliaro** commented that the revised proposal was much better and thanked CEO Fama for working on it. There being no further questions or comments,

***Director Pagliaro moved, and Director Zell seconded to approve the revised Perkins-Eastman contract to conduct a senior services study. Vote by roll call: Ayes: Cappel, Galligan, Pagliaro, Navarro and Zell; Noes-None; Abstention-None Motion passed. 5/0/0***

**C. New Millbrae Recreation Center Funding Request:**

**Chair Cappel** reported that he and CFO Yee toured the Millbrae Rec Center project site with former Mayor Janet Fogarty and City Manager Tom Williams. **Chair Cappel** reported that the potential to build a therapy pool adjacent to the Center was a major topic of discussion. The City Manager said it was feasible in terms of space, but full exploration of the feasibility was a multi-step process. **Director Zell** noted the correspondence in the board packet included a letter received with skepticism of building a pool at the Millbrae recreation center and asked Counsel Hudak if the district has any legal leverage over the closure of Sutter's Mickelson pool as he believes only the State Attorney General has authority over a private non-profit? **Counsel Hudak** responded, as a landlord, the District does not have any leverage. He confirmed the attorney general is the right public official with authority over nonprofits. He then referenced the letter received by the District from Attorney Joe Cotchett on behalf of the save the pool advocates at the start of this meeting and said he would review it relative to perceived District authority.

**Chair Cappel** stated the chance of Sutter changing their mind is very slim and reminded everyone of the District efforts to date at exploring opportunities.

**Director Galligan** expressed her concern that if the Board funds one city's center, it needs to be open to provide funding support to other cities' projects. She also suggested the Board put more pressure on Sutter to re-open the pool or find an alternative until something is figured out.

**Director Zell** asked Director Galligan for clarification on what "type" of pressure can be put on Sutter to which she responded writing a letter to Sutter's upper management.

**Director Pagliaro** referenced a public comment, and noted CEO Wagner does not have control over this, since she is an employee of the Sutter corporation and suggested the community member contact someone up the Sutter chain. **Director Pagliaro** cautioned if a pool is built at a recreation center, it would be for that city's public recreational swimming and not limited to a therapy. He recommended the district look into providing transportation to members to the therapy pools in San Francisco and Santa Clara.

**Director Navarro** suggested having two pools at the Millbrae recreation site, one for therapy and one as a community pool. In his experience, two pools in the same location are less expensive to build and maintain. He highly encouraged the Board to make a request to Millbrae to build a community and therapy pool.

**Public Comment- Michael Schrader** commented on the nearby swimming pool center Pomeroy where therapeutic and swimming lessons are done in a 90-degree temp pool. Mr. Schrader also mentioned 125K was offered to Sutter to repair the pool and believes building a pool in Millbrae is a good idea.

**Public Comment Glenn Barnhill-** urged the board to look at the Timpany center in San Jose which is operated by San Jose State University and Santa Clara County. Mr. Barnhill asked to look at models and partnering with Stanford University to operate a pool.

## 6. NEW BUSINESS

### A. Community Health Investment Committee Community Grant recommendations:

#### Committee Chair Galligan and Community Engagement Director Wasson:

**Community Engagement Director Wasson** presented the Committee's recommendations to grant 43 community grants for FY'22 to support services that address the District's five health priorities: Physical Health, Preventable Disease, Dental health, Mental Health and Healthy Aging. The total amount of grant funding represented by these grants is \$1,720,000.

**Director Zell** complimented the Community Health Investment committee for their extensive vetting process when reviewing grant applicants. **Director Pagliaro** also complimented the community for their time and dedication to the community grants process.

**Public Comment-Genie Plato** stated she was pleased to hear the pool discussion and happy to see many grantee applicants serving the senior services. Ms. Plato asked for clarification on the \$280k left over funds from the \$2-million-dollar grantee budget presented. **Director Galligan** explained the difference represents funding for grants that were approved in FY '21 to be issued in FY'22, also, tuition assistance for healthcare workforce and funding support for requests <\$5K come out of this budget. The Committee is requesting approval of the FY '22 and FY '23 grant requests as detailed in the Board meeting materials.

***It was moved by the Committee and seconded by Director Galligan to approve the grants as presented. Roll Call vote: Ayes-Cappel, Galligan, Pagliaro, Navarro and Zell; Noes-0; Abstentions-0. Motion passed 5/0/0***

**B. Lease Agreement for allcove Center location at 2600 El Camino Real, San Mateo - Eddie Flores, Youth Behavioral Health Director:**

**Mr. Flores** presented the lease agreement for an allcove Teen Drop In Center location at 2600 El Camino Real, San Mateo, noting the Youth Advisory Group toured the site and enthusiastically supported it, and Counsel ensures it meets requirements of the program. Staff is recommending approval of the lease agreement.

**Legal Counsel Mark Hudak** reported a glitch that came up while Board was in closed session concerning the landlord's allocation of parking spaces. This includes 25 unassigned parking spaces that would be split between surface parking and underground parking. The landlord sent the diagram during the meeting, and it was not satisfactory because there are only 6 spaces on the surface and the rest underground. The underground parking will be beneficial for staff and consultants, but clientele would want access to the surface spaces. The landlord was open to modifications on this therefore the request before the Board is approval of the lease and authorization of the CEO to execute the lease subject to staff satisfaction of parking configuration. If not satisfactory, the CEO will not sign.

**Director Pagliaro-** stated he strongly supports the program but does not agree with the site location and would prefer to see it in Millbrae or Burlingame and objects to the square footage of the site and tenant improvement dollar amount.

**Director Zell-** supports the location since its close to Aragon and Serra High Schools, on El Camino, and accessible with public transportation. He also shares concerns about building costs, but at this point, the space is needed. Further details will be discussed later, and no space will go unused. Launching this program, in addition to the receiving the state grant, demonstrates the District's leadership in addressing mental health.

*There being no further discussion or comments,*

***Director Zell moved and Director Galligan seconded approval of the lease agreement for 2600 El Camino, San Mateo and authorizing the CEO to sign the lease subject to program staff's acceptance of the revised parking allocation. Vote by roll call: Ayes-Galligan, Navarro and Zell; Noes-Pagliaro; Abstention-Cappel. Motion passed 3/1/1.***

**7. REPORTS**

- A. BOARD CHAIR'S REPORT- Chair Cappel** referenced a public comment at the last Board meeting requesting the Board consider a resolution in support of universal healthcare and said it will be on the next Board agenda.

**B. DIRECTOR REPORTS-** Director **Pagliari** reported he has been working with CEO Fama on consultant reports supporting invoices and, along with the general contractor, some facility issues occurring at The Trowsdale Senior Assisted Living Facility.

**8. COMMITTEE REPORTS-**

**1. Strategic Direction Committee: Committee Chair Cappel-** at the 11/8/21 meeting discussions included innovative ideas for the Peninsula Wellness Community and a presentation from Chip Gabriel, Developer from Generations, the senior housing developer for the PWC.

**2. Community Health Investment Committee: Chair Galligan** reported the committee work has focused on the community grant recommendation; conducting another virtual annual community partner event is under consideration.

**3. Finance Committee: Committee Chair Zell** said next meeting is 1/11/22.

**C. MANAGEMENT REPORTS:**

**CEO Fama** reported the two independent cooperative homes in San Mateo provided by PHCD and operated by AbilityPath in partnership with PARCA opened in April 2021, however admitting residents had been delayed due to Covid until September. Eight of the 10 units are now occupied with candidates under review to fill the remaining two. The Young home at 111 16<sup>th</sup> Ave has five women residents and Cohen house at 113 16<sup>th</sup> Ave has three male residents.

**Stephanie Arevalo Rodriguez-** reported on PHCD social media and newsletter activities, property management oversight responsibility and helping with coverage for the vacant executive assistant position.

**Ann Wasson-** reported a second vaccination webinar will be held next week on 12/15/21 focusing Vaccination Anxiety and fear of needles, in collaboration with Parent Ventures. The program is hosted by PHCD and Chair Cappel will do the opening and wrap up remarks.

**Eddie Flores** reported he recently had the opportunity to present on Care Solace to the Burlingame School District Board as well as San Mateo Union High School District. Mr. Flores noted awareness about the availability of Care Solace service is spreading throughout the school communities with steadily increasing utilization data. He will continue his marketing efforts and presentations to other PHCD school boards.

**8. ADJOURNMENT: Chair Cappel adjourned the meeting at 8:17pm.**

Written and submitted by: Stephanie Arevalo Rodriguez, Business Operations Manager



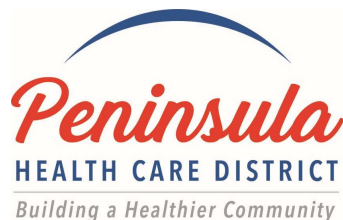
**BOARD OF DIRECTORS  
SPECIAL BOARD MEETING  
January 5, 2022**

**MINUTES**

1. **CALL TO ORDER:** Chair Cappel called the Zoom meeting to order at 6:05pm.
2. **ROLL CALL:** Present by roll call vote: Directors Cappel, Pagliaro and Navarro.  
Absent Directors Galligan and Zell.
3. **PUBLIC COMMENT:** CEO Fama reported no members of the public were present, and no comments were received via email.
4. **NEW BUSINESS:**
  - A. **Resolution 2022-01 of the Board of Directors of the Peninsula Health Care District Recognizing the Existence of a State of Emergency and Authorizing Remote Teleconference Meetings of the Legislative Bodies of Peninsula Health Care District for the Period January 5 – January 31, 2022, Pursuant to Brown Act Provisions:**  
*It was moved by Director Galligan and Seconded by Director Pagliaro to Approve the resolution as presented.*  
*Roll call vote: Ayes – Directors Cappel, Pagliaro, and Navarro*  
*Noes – None; Abstentions- none.*  
*The motion passed 3/0/0.*
5. **ADJOURNMENT:** There being no other business, Chair Cappel adjourned the meeting at 6:10 pm.

Written by Cheryl A. Fama, CEO

Approved by \_\_\_\_\_  
Chair Lawrence W. Cappel



## **FINANCE COMMITTEE MEETING**

### **Minutes**

**November 16, 2021**

1. **Call to Order:** Meeting was called to order by **Chair Zell** at 2:01 pm.
2. **Roll Call:** Present via Zoom: Chair Zell, Member Sun, Member Seto, Member Hearle, CEO Fama, CFO Yee. Absent: Director Galligan.
3. **Approval of Minutes:** September 14, 2021

**Member Hearle** had a question regarding item 4 – Master lease and Sutter’s Obligated Group. The section needs to be edited to reflect Mills-Peninsula Health Services (MPHS) as part of Sutter’s Obligated Group and not PHCD. According to the lease, starting year 16, MPHS can pledge some of its leasehold interest to repay Sutter’s debt.

The Committee agreed to table this item for the next meeting.

4. **Draft Audited Financials FY 20-21** – **CFO Yee** presented to the Committee the draft audited financials for FY 20-21. The annual audit for both the District and Sonrisas were conducted remotely. The information in the audit was presented on a consolidated basis which includes all activities of the District and Sonrisas as a component unit. The consolidated financials received a clean audit and no findings. Below are some items to note:

Statement of Net Position at the end of the year is \$82,835,786, of which \$32.6M is unrestricted.

- Cash and Investments increased by \$5M from the prior year due to increased property tax and delays in launching various programs due to COVID.
- Sonrisas Dental Fund performed better than the prior year.
- Capital Assets decreased due to depreciation
- Non-current liabilities decreased due to the debt payment on the TT construction loans.

Statement of Activities – change in net position is \$3,579,576

Revenue:

- Leasing increased from last year due to the transfer of community benefit of \$350K from the general fund to leasing to cover free rent for the use of facilities. In addition, the hospital land lease increased by \$171K this year.
- Sonrisas improved by \$500K mainly from seeing more patients than the prior year. The Center closed for a few months in the prior year. The current year reflects a full year of

operations. Sonrisas also received COVID relief funds from the PPP loan forgiveness and the Healthcare Provider Relief Fund.

- The Trousdale revenue improved by \$500K from more resident rental income. Although resident numbers decreased, the average number of residents per day was higher than the prior year.
- Property tax was higher by \$600K compared to the prior year
- Investment income was below budget due to lower interest rates and unrealized losses

Expense:

- Leasing increased by \$160K mainly from more repairs to the properties.
- Sonrisas expenses increased by \$467K due to higher patient visits, COVID supplies and reflect a full 12 months of operating expense
- The Trousdale expenses were higher than last year due to PPE and testing due to COVID requirements.
- Grant expenses were \$2.7M lower than the prior year due to a one-time funding to the SMC for a COVID alternative care facility last year and COVID Relief grants.

**Chair Zell** asked if San Mateo County used up the \$3M funding. **CEO Fama** replied yes and an alternative care facility is still open. **Member Seto** asked if Sonrisas Dental Center performed better than last year. **CFO Yee** replied, yes. The Center was able to see more patients; however, the Center incurred additional expenses due to a higher visit volume. In addition, Sonrisas only drew \$250K of the budgeted \$900K PHCD grant. **Member Hearle** had a question on Note 4 of the audit. He questioned if MPHS has the unilateral right to extend the lease. **Chair Zell** replied that they must be in good standing under the lease to extend.

There was a robust discussion on the draft audited financials. The Committee had one minor edit under Note 4 – Lease Agreement to add the following:

Mills-Peninsula Health Services may extend the Ground Lease for an additional 25-year period “with the written consent of the District.”

***It was moved by Member Hearle and seconded by Member Sun to approve the draft audit with the above edit. Roll call vote: Chair Zell – Aye, Member Hearle – Aye; Member Seto - Aye; Member Sun - Aye; CEO Fama – Aye; CFO Yee – Aye. The motion passed 6/0/0.***

5. **Q1 Financials** – The Committee reviewed the quarter one consolidated financials, including Sonrisas Dental Health. Below are items to note:

Revenue:

- Program Service Revenue – budget difference (\$93K)
  - SM Tax revenue is behind budget but should catch up in Q2
  - The Trousdale is on track with unit occupancy numbers but behind on the one-time application fee. This is due to lower move-ins with no move-outs.
  - Sonrisas is behind by \$29K due to lower PPO Insured visits.



- Grant Revenue is behind by \$125K because no grant was received for the allcove program. The agreement and lease are still in review.
- Membership Dues from the Health & Fitness Center are doing better than budget. Currently, there are 135 members, which is 32 better than the budget. Most members returned after the Center reopened from COVID.
- Investment Income is \$33K behind due to low-interest rates.
- Leasing Income is on track.

Expenditure:

- PHCD program expenses are \$264K, better than budget mainly from the Community Health Investment budget. Expenses will increase in the next quarter.
- Personnel expenses are \$148K, better than budget. There are difficulties in filling positions for the District and The Trousdale.
- Occupancy expenses are \$79K better than budget.
  - Leasing repairs are lower than budget but expect more significant repairs in Q2
  - Rent expense – savings of \$46K for the allcove center (lease not signed).
- Professional fees are \$81K better than budget from legal expenses.
- General and Admin savings relate to the allcove center not being opened.

Net Income is \$448K, better than budget.

**Chair Zell** asked if there was any information Director Pagliaro wanted the Finance Committee to discuss. **CEO Fama** replied that he requested to see all the legal invoices for the Peninsula Wellness Center project and has requested a higher level of detail on the invoices. **Member Sun** asked if Sonrisas would want to consolidate their funds at Merrill Lynch to City National Bank to get better service, given the small balance. **CEO Fama** replied no because the funds are separated as part of the PHCD consolidation agreement between Sonrisas Coastside and Sonrisas San Mateo. The Center at Coastside will be using some of those funds for renovations.

**Chair Zell** asked CEO Fama if there were any concerns or challenges. **CEO Fama** replied that availability of healthcare workforce continues to be a challenge. This will affect the allcove program since it is a partnership between staff and healthcare providers. Also, Sonrisas can improve throughput if they can hire more staff. They just built out a new operatory with grant funds. On the FQHC, the county list is still long because it continues to grow. For the District, there is a challenge in hiring an executive assistant.

***Director Galligan joined the meeting at 2:30 pm.***

6. **allcove Update** - Eddie Flores, Director of Behavioral Health, provided an update on the allcove program.

He reported “overwhelming excitement” from both elected and non-elected officials and organizations around the potential of this program. The District is hearing from the

community that this program is very much needed. The leaders of the communities are grateful that the District is bringing this forward. The State contract came in in June; however, items in the contract needed to be modified or discussed, which delayed the process. The District is working with its youth advisory group (YAG), who are very excited about how this program can touch the lives of many young adults. The contract is currently waiting for legislation to extend the program and provide guidance on funding for the 4<sup>th</sup> and 5<sup>th</sup> years. Once the contract is signed, the District will have 60 days to update or modify the budget initially submitted with the application. Stanford will be helping in the review of the budget as well. The budget allows up to 80% of capital improvements to get reimbursed in the first year. Member Hearle and Mr. Flores will be putting together an RFP for soliciting clinical partners and will be scheduling an informational town hall for all interested providers to learn more about the program. They are also looking at technology to make the space efficient and acceptable to the youth. The lease on the allcove facility is currently in review. The potential space is located on El Camino Real, just a few blocks from Hillsdale Mall.

**Chair Zell** commented that his biggest concern is finding the right licensed clinicians to run the program. **Mr. Flores** commented that he would work with the different committees to gather ideas on an RFP to recruit the right partner to manage the program. Some criteria that will be evaluated are if they have the right attributes and technicalities to serve that population. The partner will need to be able to connect with the youth and young adults. Having an established and trusted partner is important. Finally, having a partner that is a good fit with the District is also essential. **Chair Zell** asked that besides finding the right partner, is there a plan on finding the right staff to manage the program. **Mr. Flores** replied that he would connect with the District's internal network to source out the right candidate.

**Chair Zell** asked about the status of the State contract, lease, estimated time for the buildout, and timing on hiring. **Mr. Flores** replied that initially, he was thinking of March of next year, but now with all the tenant improvements, it looks like early September. Summer months are difficult to recruit youth. **CEO Fama** commented that the program has a director and is hiring an outreach specialist but will need someone to oversee the clinical side of the program. The hiring timeline and plans will need to be discussed further as a team. The District may need to look nationally for the right candidate. The first thing is to get the contract signed and have a location for allcove. **Chair Zell** commented that the District needs to hire a person to oversee the program before the center opens to align all the partners and staff. **Member Hearle** suggested that the District hire a medical director not just for allcove but to oversee all clinical aspects of the District programs, such as the quality of service provided. As far as the RFP, there are 4 to 5 potential partners interested so far. He is working with a template that Stanford has approved for the Sacramento center. The template includes questions related to the accountability to the District. A committee may need to be formed to review and rank the proposals. A draft of the RFP should be available in the next couple of weeks. The thinking is to have one primary partner to subcontract out different areas of expertise. **Chair Zell** commented that it might be important to have a subcommittee meeting to discuss the allcove structure and partnerships to speed up the launch of the program. **CEO Fama** suggested the subcommittee include Chair Zell, Director

Galligan, Member Hearle, Mr. Flores, and herself. The other finance committee members are welcome to participate.

**7. Future agenda**

Follow up on The Trousdale analysis on reducing room rate and incremental cost  
Further projects/programs in the northern part of the District

**Adjournment: Chair Zell** Adjourned the meeting at 3:34 pm.

*Written by Vickie Yee, CFO*

**Approved by Committee on January 11, 2022**



## **FINANCE COMMITTEE MEETING**

### **Minutes**

**September 14, 2021**

1. **Call to Order:** Meeting was called to order by **Chair Zell** at 2:08 pm.
2. **Roll Call:** Present via Zoom: Chair Zell, Director Galligan, Member Sun, Member Seto, CEO Fama, CFO Yee. Absent: Member Hearle.
3. **Approval of Minutes:** March 9, 2021

*It was moved by Director Galligan and seconded by Member Sun to approve the minutes. Roll call vote: Chair Zell – Aye; Director Galligan – Aye; Member Seto – Aye; Member Sun; CEO Fama – Aye; CFO Yee – Aye. The motion passed 6/0/0.*

#### **4. Business Arising from Minutes**

##### Master lease and Sutter's Obligated Group

**CEO Fama** provided an update on the Master Lease and Sutter's Obligated Group. At the last meeting, Member Seto questioned if Mills-Peninsula Health Services (MPHS) was part of Sutter's Obligated Group in terms of having any responsibility to pay PHCD's debt in the event of a paramount default. According to Section 1.04 E. 1. of the Master Lease, until the 16th year of the Lease Agreement, MPHS may not pledge any of its leasehold or ownership interests under the Ground Lease as security for a financing, including any done by or for the Sutter Health Obligated Group. MPHS may pledge revenues it generates as security for a financing. The Lease agreement was signed on May 15, 2011. Management to revisit this issue closer to the 16<sup>th</sup> year when the MPHS becomes part of Sutter's Obligated Group.

**Member Seto** commented that this is excellent news. The District may not need to retain so much liquidity in case of a paramount default. **Chair Zell** commented that the funds received annually from property tax are not enough to run a hospital in the event of a paramount default which would require a significant source of funding. The District can find another operator or go to the taxpayers for funding if Sutter Health decides to close the hospital. The funds accumulated at the District are for programs, such as the Peninsula Wellness Center and the youth mental health center that is delayed due to the pandemic. **Director Galligan** commented that it is unlikely for Sutter Health to go into a paramount default since they are doing well. However, the District still has an obligation to step in in a paramount default. Some money should be saved for this purpose. **CEO Fama** commented

that paramount default was a significant concern when Sutter was building the hospital because of the increased cost of the construction. Currently, the risk is low. The Strategic Financial Policy has been updated to reserve \$10M and use the liquidity for new programs and maintain current ones.

*Status of Sutter's pending lawsuits*

**CEO Fama** provided an update on Sutter's pending lawsuits, which was a request of Member Hearle at the last meeting. There were two lawsuits on Mr. Hicks's analysis. The first one is a federal lawsuit for price gouging and was recently settled, which Sutter lost for \$570M. On August 30, the second lawsuit was for \$90M to settle false claim acts allegation on mischarging the Medicare Advantage Program. Even after the two lawsuits, Sutter Health is still very solvent according to Mr. Hicks.

## 5. Government Code Section 53065.5 Compliance

**CFO Yee** provided the annual disclosure of reimbursements over \$100. In compliance with government code section 53065.5, the District must disclose payments to any employee or Board members of \$100 or more for a single transaction. For FY 21, the District had five payments over \$100. Four of them relate to a one-time ergo home equipment reimbursement approved by the Board last year. The employees went through an ergo assessment to identify the equipment necessary to work from home. They had a budget of up to \$450 to purchase equipment that was identified through the process, and four payments are for reimbursement of that equipment. The other payment to Michelle was for Cobra reimbursement when she transitioned over from Eskaton to the District after the District took over the fitness center. This is for the one-month waiting period until the insurance coverage starts.

## 6. Q4 Financials

CFO Yee provided an overview of the year-end consolidated financials, including Sonrisas Dental Health. Below are items to note:

*Revenue:*

- Program Service Revenue – budget difference (\$705K)
  - The Trosdale shortfall is mainly from not meeting its intended occupancy levels. The average occupancy for the year was 73% vs. 88%. At the end of the year, there were 87 units vs. 115 units budgeted – a difference of 28.5 units.
  - PHCD county tax revenue exceeded the budget by \$1.4M.
  - Sonrisas performed better than budget by \$131K. For the year, Sonrisas had 10,791 visits which were 77 more than budget.
- Sonrisas fundraising exceeded budget by close to \$500K
- Fitness Center membership dues are below budget by \$108K. The Center was opened for approximately five months of the year on a limited capacity due to County COVID restrictions.
- PHCD investment income is lower than budget by \$301K due to unrealized losses and lower interest rates.

- Sonrisas received other income during the year: higher incentive payments from Denti-Cal, \$42K in proceeds from an equity conversion from an insurance company, and two rounds of PPP loan totaling \$797K. In addition, the 1<sup>st</sup> PPP loan of \$395K was officially forgiven.

Expenditure:

- PHCD program expense is \$930K, better than budget due to a delay in launching the teen mental health program and targeted prevention programs.
- The Trowsdale personnel cost is lower than budget from having lower occupancy, therefore, requiring less staffing.
- Leasing expenses are higher from the continued repairs and maintenance to the properties. No major work is being done on the Marco Polo properties as they will be demolished with the construction of PWC.
- PHCD professional fees - savings of \$459K from the legal expense budget.
- The Trowsdale's office supplies are higher due to COVID expenditures which were not budgeted.
- PHCD saved \$250K from not needing a Board election because there were no challengers to the incumbents who ran again.

Total Income before internal transfers are:

- District activities - \$5M
- Leasing activities - \$1.8M
- Fitness Center – (\$204K), which is \$16K better than budget
- The Trowsdale – (\$3M), which is \$2M worse than budget
- Sonrisas Dental - \$145K, which is 1.4M better than budget

**Chair Zell** commented that when Sonrisas first started, there was a long waitlist for Denti-Cal patients to receive care. He would like to know if there have been any improvements since. **CEO Fama** commented that it used to average about a 2-year wait and is currently a little over one year. Sonrisas has taken more patients than anticipated and secured three grants (over \$300K) to build out two new operatories to serve adults and one for children. **Chair Zell** asked if the Center is at capacity with the three chairs. **CEO Fama** replied yes. **Chair Zell** asked if it is worth exploring opening another Center at other locations like San Bruno. **CEO Fama** replied that Sonrisas is currently focusing on improving the Coastsides Center. Sonrisas is looking at ways to increase capacity for the County. There is a health center in San Bruno Park District that may be available for a clinic. North East Medical Center and the Sequoia Healthcare District have been talking about adding a few dental chairs. **Chair Zell** would like to explore expanding Sonrisas in other locations at a future agenda.

**Member Seto** asked for clarification on the unrealized loss and the fair market value for the use of the facility. **CFO Yee** replied that the unrealized loss is due to the market and will disappear once the bond matures. The fair market value for the use of the facility is a book entry to capture the community benefit that the District is providing by not collecting rent

for the use of space. Hep B Free office, One Life offices, Ability Path Homes, and Sonrisas Dental Center in San Mateo are among the few that benefits from this contribution.

***It was moved by Member Sun and seconded by Member Seto to approve the Year-End financials. Roll call vote: Chair Zell – Aye, Director Galligan – Aye; Member Seto; Member Sun; CEO Fama – Aye; CFO Yee – Aye. The motion passed 6/0/0.***

## **7. The Trowsdale Operations & Performance**

**Mark Jenkins, CFO** at Eskaton, provided an overview of the senior living market in general and how the Trowsdale is performing.

**Mr. Jenkins** believes the revenue loss and unanticipated costs due to COVID are temporary. The current second or third wave of COVID is holding the economy back. In the senior living industry, independent living has the most negligible impact. The areas most affected by COVID are assisted living and memory care. Currently, staffing is the number one challenge. It is not limited to the senior living arena, but many other industries have a staffing shortage. The Trowsdale is doing reasonably well compared to other Eskaton owned properties as far as maintaining occupancy levels. The Trowsdale started with around 80% occupancy at the beginning of the pandemic and is currently at 74%. The initial anticipation was that the budget would end the year at stabilization which is 92%-93%, but COVID has halted many families' decisions to move into an assisted living facility. The vaccines have helped stabilize the current occupancy levels, but the challenge is how to increase move-ins. The Trowsdale is doing a lot of marketing and advertising to show that the facility is safe. The regulators for the industry have refined the rules over time, such as vaccine and mask mandates for staff, residents, and guests. Eskaton is being very responsive to those regulations to keep everyone safe. In general, they are focused on occupancy and revenue growth.

**Chair Zell** asked if COVID has changed the marketing strategy and business model. Is there any hesitation for individuals to move into a facility like The Trowsdale? And if the changes due to COVID are temporary, or should The Trowsdale refocus its strategy if it's permanent. He also questioned if the pricing level is competitive in today's market. **Mr. Jenkins** replied that residents in memory care are based on need; therefore, people who need this type of care would not delay moving in. On the other hand, people can delay moving in for an assisted living, which is what he is seeing. The current situation is better than the beginning of the pandemic. Residents can now congregate, and that's what residents are looking for. Living in a community is safer because the resident will not need to go to a store to get basic needs. It is important to address the concerns of potential residents, so they understand and mitigate any anxiety about moving in. **Mr. Jenkins** believes the delay is only temporary, and people will be back to their normal comfort level. He thinks the recovery will look more like an "L" shape with a kick at the end or boost.

**Chair Zell** asked if looking at a lower margin with a higher occupancy rate is beneficial for The Trowsdale. **Mr. Jenkins** does not believe the price is the factor that people are not

moving. It is more due to the pandemic. There are different tools that the sales officers can use, such as waiving the entrance fee or 1<sup>st</sup> month's free. If the price is reduced to below-market, The Trousdale would fill up but may not be profitable in the long run due to rent control and people not wanting to leave. Eskaton has been very successful in keeping and raising rates. They recently hired a consultant firm to learn more about their competitors, such as rates, marketing, and offerings. The report should be available later this month and will be shared with the District.

**Member Seto** would like to know the average residency for the memory care and assisted living residents. He commented that the community is at 74% occupancy. If the average turnover in the rooms is quick, he questioned if it would be better to put someone in the rooms to cover some losses and raise the rent after a few years? Plus, there is no rent control in Burlingame. **Mr. Jenkins** commented that the average length of stay in a facility is about two years, but the Trousdale residents are younger and healthier, almost like independent living, which means the average is a little higher. If the rooms are given at a below-market rate, the incremental cost of staffing may be too high and would push the margins down. **Member Seto** commented that he would like to see the facility more utilized, even as a community benefit. **Mr. Jenkins** will make some projections with different models.

**Member Sun** asked if the lower occupancy is helping with staffing needs given the difficulty in finding and maintaining staff in the current job market. She also questioned whether the occupancy level is balanced between memory care and assisted living or more vacancies in one area. **Mr. Jenkins** replied that the lower occupancy is helping with the staffing needs. There are also positions that crossover, which also helps with the situation. In addition, the Trousdale is using different tools to recruit, such as sign-on bonuses or incentives. On the second question on the occupancy level, **Mr. Jenkins** replied that memory care is at 91% and assisted living is at 70%, but there are far more assisted living units. **Member Sun** asked if The Trousdale could offer the first year at a discounted rate and raise it after that. **Mr. Jenkins** replied that this might not be the best approach as there are many lawsuits regarding deceptive pricing. Eskaton tries not to take this approach and is very upfront and transparent on fees. Currently, Eskaton is piloting a program where residents are charged a flat fee regardless of the level of care and will share the findings with the District.

**Chair Zell** asked if Mr. Jenkins could return in March for the budgeting process. He is interested in his projection on labor and occupancy levels. **Mr. Jenkins** agreed.

***Member Sun left the meeting at 3:35 pm***

## **8. Health Plan of San Mateo Return of Funds**

**CEO Fama** shared that the Health Plan of San Mateo will return \$435K to the District. The District was one of the primary funders to cover children in the District. After the Affordable Care Act started, some of the funds were not needed. The Health Plan of San Mateo built up a \$6M+ in reserves, of which 15% belonged to the District. CEO Fama sits on the Children's



Oversite Committee. The Committee evaluated the current health needs of the youth and decided to leave \$2M in reserve. Some grants were given out, of which one was Sonrisas Dental, and the funders were given the option to have the funds returned. CEO Fama elected to have the funds returned to support future District youth programs.

## **9. Future agenda**

**Member Seto** suggested that the District investigate different areas to invest the cash balance at the District. **Chair Zell** commented that banks' investments are regulated by statute and limit what the District can invest in, making it challenging to produce a high return. The other alternative is to purchase real estate for programs that can achieve better returns. In addition, there is an opportunity to lease the space out for additional revenue or sell the property if funds are needed. However, the downside is that it is not as liquid. **Member Seto** would like to discuss how the cash can be utilized on a future agenda.

**Adjournment: Chair Zell** Adjourned the meeting at 3:51 pm.

*Written by Vickie Yee, CFO*

**Approved by Committee on January 11, 2022**

**RESOLUTION NO. 2022-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PENINSULA HEALTH CARE DISTRICT RECOGNIZING THE EXISTENCE OF A STATE OF EMERGENCY AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF PENINSULA HEALTH CARE DISTRICT FOR THE PERIOD FEBRUARY 1, 2022-FEBRUARY 28, 2022, PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the Peninsula Health Care District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Peninsula Health Care District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, Government Code section 54953(e), as provided in AB 361 and made effective on September 17, 2021, makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or that the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, that the Governor of California has declared a state of emergency due to the imminent dangers of COVID-19; and the San Mateo County Health Officer has imposed measures for masking and social distancing in order to prevent the spread of COVID-19, including Order C19-12 issued on August 2, 2021; and

WHEREAS, the conditions existing within the District justify the continued use of remote teleconferencing for Board meetings;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF PENINSULA HEALTH CARE DISTRICT DOES HEREBY FIND AND RESOLVE:

Section 1. Recitals. The Recitals set forth above are true and correct.

Section 2. Findings of State of Emergency. The Board finds and declares:

A. A state emergency has been proclaimed by the Governor of the State of California and now exists throughout the District, and

B. State officials and local officials, including the San Mateo County Health Officer, have imposed and/or recommended that measures be taken to promote social distancing and to require that masks be worn indoors regardless of vaccination status; and

C. As a result of the emergency, meeting in person would present imminent risks to the health and safety of members of the public and District staff.

Section 3. Remote Teleconference Meetings. As a consequence of the local emergency, the Board of Directors does hereby determine that the legislative bodies of Peninsula Health care District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953.

The Chief Executive Officer is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act, including noticing and provisions for public participation and public comment.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days from the date of adoption or until such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Peninsula Health Care District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Peninsula Health care District, this 27th day of January 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:



**2022 PHCD BOARD AND COMMITTEE MEETINGS**

January						
S	M	T	W	T	F	S
					1	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

February						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27						

March						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

June						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

July						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

October						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

November						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

December						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- Board Meetings
- Long Term Planning
- Community Health Investment
- Finance Committee
- Sonrisas Board

Peninsula Health Care District  
Treasurer's Report

November 30, 2021

Preliminary - subject to change

**STATUS OF CURRENT YEAR TAX REVENUES**

Total As Of <u>11/30/21</u>	Estimated FY 21-22 <u>Tax Revenue</u>
<u>\$ 682,968</u>	<u>\$ 7,500,000</u>

**Board Designated Invested Funds**

	Rate Last QTR	Fees Paid Fiscal YTD	Cost Basis		Market Value
			<u>10/31/2021</u>	<u>11/30/2021</u>	<u>11/30/2021</u>
Torrey Pines - 3yr CD (mature 1/31/24)	0.450%		3,127,292	3,127,292	3,127,292
Fiduciary Trust	*	1,442	1,636,030	1,638,876	1,646,243
City National Bank	*	11,540	18,500,349	18,516,987	18,373,346
Local Agency Investment Fund	0.217%		5,737,599	5,737,599	5,737,599
San Mateo County Pool Investment	0.987%		<u>3,514,032</u>	<u>3,514,032</u>	<u>3,514,032</u>
			<u><b>32,515,302</b></u>	<u><b>32,534,786</b></u>	<u><b>32,398,512</b></u>

\* Yield to maturity

Peninsula Health Care District  
Treasurer's Report

December 31, 2021

Preliminary - subject to change

**STATUS OF CURRENT YEAR TAX REVENUES**

Total As Of <u>12/31/21</u>	Estimated FY 21-22 <u>Tax Revenue</u>
<u>\$ 4,248,864</u>	<u>\$ 7,500,000</u>

**Board Designated Invested Funds**

	Rate Last QTR	Fees Paid Fiscal YTD	Cost Basis		Market Value
			<u>11/30/2021</u>	<u>12/31/2021</u>	<u>12/31/2021</u>
Torrey Pines - 3yr CD (mature 1/31/24)	0.450%		3,127,292	3,130,839	3,130,839
Fiduciary Trust	*	2,881	1,638,876	1,637,420	1,644,669
City National Bank	*	13,836	18,516,987	18,520,557	18,339,375
Local Agency Investment Fund	0.206%		5,737,599	5,737,599	5,737,599
San Mateo County Pool Investment	0.867%		<u>3,514,032</u>	<u>3,514,032</u>	<u>3,514,032</u>
			<u><b>32,534,786</b></u>	<u><b>32,540,447</b></u>	<u><b>32,366,514</b></u>

\* Yield to maturity

DATE: January 16, 2022

TO: PHCD Board of Directors

FROM: Vickie Yee, CFO

SUBJECT: Investment Quarterly Report – 12/31/21

To comply with our Statement of Investment Policy and Government Code 53646, included in this report are our investment holdings as of 12/31/21 and two bank statements: Local Agency Investment Fund and San Mateo County Fund.

<b>Fiduciary Trust Holdings as of 12/31/21</b>					
<b>Asset Category</b>	<b>Asset Name</b>	<b>Shs/Pv</b>	<b>Mkt Price</b>	<b>Mkt Value</b>	<b>Cost Basis</b>
U.S. TREASURY BILLS	STIP 1: US TREASURY ONLY DTD 8/31/2003	685,000	100.000	685,000	685,000
U.S. TREASURY BILLS	UNITED STATES TREASURY BILL DTD 9/2/2021 3/3/2022	100,000	99.993	99,993	99,987
U.S. TREASURY BILLS	UNITED STATES TREASURY BILL DTD 03/25/2021 03/24/2022	200,000	99.989	199,977	199,962
U.S. TREASURY BILLS	UNITED STATES TREASURY BILL DTD 07/22/2021 01/20/2022	200,000	100.000	199,999	199,972
INTEREST BEARING ACCOUNT	USD Cash	100,250	100.000	100,250	100,250
CORPORATE BONDS-DOMESTIC	BERKSHIRE HATHAWAY FINANCE CORP SENIOR NOTE DTD 05/15/2012 3.00% 05/15/2022	75,000	100.821	75,616	75,210
CORPORATE BONDS-DOMESTIC	MICROSOFT CORP SENIOR NOTE CALLABLE 01/06/2022 @ 100 DTD 02/06/2017 2.40% 02/06/2022	50,000	100.151	50,075	50,000
CORPORATE BONDS-DOMESTIC	ORACLE CORP SR NT DTD 10/25/2012 2.50% 10/15/2022	100,000	101.475	101,475	97,569
CORPORATE BONDS-DOMESTIC	WALT DISNEY CO/THE SENIOR NOTE CALLABLE 07/30/2024 @ 100 DTD 09/06/2019 1.75% 08/30/2024	130,000	101.757	132,284	129,470
				<b>1,644,669</b>	<b>1,637,420</b>

City National Bank Holdings as of 12/31/21						
Asset Category	Asset Name	Shs/Pv	Mkt Price	Mkt Value	Cost Basis	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.500% 8/15/23	345,000	102.992	355,322	357,806	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.750% 11/15/23	570,000	103.777	591,529	597,157	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.375% 8/15/24	515,000	103.832	534,735	543,731	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.375% 9/30/23	340,000	101.211	344,117	347,276	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.875% 9/30/23	480,000	103.813	498,302	502,103	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.000% 8/15/25	125,000	103.133	128,916	132,732	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.875% 11/30/23	695,000	104.094	723,453	728,835	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.625% 12/31/23	480,000	103.723	497,870	502,459	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.125% 3/31/24	530,000	102.922	545,487	552,869	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.250% 3/31/26	500,000	104.277	521,385	528,187	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.250% 8/31/24	725,000	100.918	731,656	739,474	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.750% 6/30/25	570,000	105.707	602,530	616,911	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.000% 6/30/24	575,000	102.793	591,060	596,968	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.750% 4/30/23	400,000	102.922	411,688	413,689	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.250% 5/31/25	265,000	97.273	257,773	263,220	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.250% 7/31/25	615,000	97.000	596,550	611,990	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.250% 9/30/25	500,000	96.836	484,180	490,059	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.500% 3/31/23	590,000	101.223	597,216	599,649	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.250% 11/15/23	400,000	99.176	396,704	400,657	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.375% 11/30/25	280,000	96.981	271,547	278,742	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.125% 10/15/23	415,000	99.000	410,850	414,173	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.125% 3/31/23	110,000	99.539	109,493	109,918	
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.625% 7/31/26	835,000	97.238	811,937	824,431	
U.S. AGENCIES	FNMA 2.625% 9/06/24	455,000	104.609	475,971	482,852	
U.S. AGENCIES	FNMA 2.875% 9/12/23	235,000	103.688	243,667	245,425	
CORPORATE BONDS-DOMESTIC	AMERICAN EXPRESS CO 3.400% 2/27/23	420,000	102.887	432,125	419,618	
CORPORATE BONDS-DOMESTIC	BANK OF AMER MTN V-Q 3.458% 3/15/25	350,000	104.581	366,034	369,259	
CORPORATE BONDS-DOMESTIC	COMCAST CORP 3.950% 10/15/25	265,000	109.173	289,308	295,676	
CORPORATE BONDS-DOMESTIC	AMERICAN HONDA MTN 2.600% 11/16/22	355,000	101.726	361,127	360,951	
CORPORATE BONDS-DOMESTIC	CITIGROUP INC V-Q 3.352% 04/24/25	355,000	104.415	370,673	373,836	
CORPORATE BONDS-DOMESTIC	GOLDMAN SACHS GROUP 3.200% 2/23/23	215,000	102.558	220,500	221,209	
CORPORATE BONDS-DOMESTIC	JPMORGAN CHASE V-Q 4.023% 12/05/24	240,000	105.437	253,049	255,880	
FOREIGN BONDS	SANTANDER UK PLC 4.000% 3/13/24	345,000	105.843	365,158	367,997	
FOREIGN BONDS	BK MONTREAL MTN 3.300% 2/05/24	340,000	104.630	355,742	357,727	
FOREIGN BONDS	HSBC HOLDINGS V-Q 3.950% 5/18/24	245,000	103.706	254,080	256,331	
FOREIGN BONDS	BANK OF NOVA SCOTIA 1.300% 6/11/25	225,000	99.420	223,695	229,371	
FOREIGN BONDS	SUMITOMO MITSUI FINL 1.474% 7/08/25	295,000	99.476	293,454	300,730	
FOREIGN BONDS	CANADIAN IMPERIAL BK 2.250% 1/28/25	245,000	102.160	250,292	256,272	
MUNICIPAL BONDS	WISCONSIN ST 0.361% 5/01/24	325,000	98.712	320,814	325,000	
MONEY MARKET SWEEP FUNDS	CITY NATL ROCHDALE GOV MM-SV	299,385	100.000	299,385	299,385	
NONDISCOUNTED COMM PAPER/REPOS	IFCSTONE ABS TRI-PARTY REPO 0.29%	1,950,000	100.000	1,950,000	1,950,000	
				<b>18,339,375</b>	<b>18,520,557</b>	



California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
P.O. Box 942809  
Sacramento, CA 94209-0001  
(916) 653-3001

January 14, 2022

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

PENINSULA HEALTH CARE DISTRICT

CEO  
1819 TROUSDALE DRIVE  
BURLINGAME, CA 94010

[Tran Type Definitions](#)

**Account Number:** 20-41-002

December 2021 Statement

**Account Summary**

Total Deposit:	0.00	Beginning Balance:	5,737,598.89
Total Withdrawal:	0.00	Ending Balance:	5,737,598.89



San Mateo County Treasurer  
 555 County Center  
 Redwood City, 94063  
 (650) 599-1251 or (650) 599-7206

Statement Ending Date: 12/31/2021  
 Account: 03407

## STATEMENT OF ACCOUNT

### Peninsula Health

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
11/30/2021	Balance brought forward			\$3,514,032.40
12/31/2021	Ending Balance			\$3,514,032.40

**Peninsula Health Care District**  
**Statement of Net Assets - Preliminary Draft**

	<b>Year To Date</b> <b>12/31/2021</b>
	<b>Current Year Balance</b>
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	
Operating - Admin Checking	5,165,871
Operating - Leasing Checking	2,989,416
Operating - PWC Checking	46,732
Operating - Health & Fitness Checking	35,320
Trousdale Construction Checking	31,841
Trousdale Operating Checking	2,368,490
Total Cash and Cash Equivalents	10,637,670
Accounts Receivable	
Account Receivable - Rent	4,456
Account Receivable - TT Tenant	22,972
Interest Receivable	89,373
Accounts Receivable - Other	1,091
Total Accounts Receivable	117,892
Other Current Assets	
Prepaid Expenses	
Prepaid - General	19,377
Prepaid - Insurance	42,608
Prepaid - Benefits / WC	1,819
Prepaid - Trousdale	127,328
Total Prepaid Expenses	191,132
Inventory	
Supplies/Inventory	21,228
Total Inventory	21,228
Total Other Current Assets	212,360
Total Current Assets	10,967,922
Long-term Assets	
Property & Equipment	
Building	77,969,887
Land	15,390,822
Improvements	1,030,958
Equipment	2,056,326
Furniture/Fixtures	33,861
Pre Opening Cost	2,505,662
Accum Depreciation (Trousdale)	(7,679,134)
Accum Depreciation	(3,445,833)
Total Property & Equipment	87,862,549
Other Long-term Assets	
Deposits and Prepayments	
Deposits	46,323
Total Deposits and Prepayments	46,323
Other Assets	

	<b>Year To Date</b>
	<b>12/31/2021</b>
	<b>Current Year Balance</b>
Deferred Outflow	178,387
Net Pension Asset	428,050
Total Other Assets	<u>606,437</u>
Total Other Long-term Assets	<u>652,760</u>
Total Long-term Assets	<u>88,515,309</u>
Investments	
Long Term Investments	
Board Designated Fund - LAIF	5,737,599
Board Designated Fund - SMC	3,514,033
Board Designated Fund - CNB	18,520,557
Board Designated Fund - FT	1,637,420
Board Designated Fund - Torrey	3,130,839
Board Designated Fund - Unrealized G/L	<u>(173,938)</u>
Total Long Term Investments	32,366,510
Investment in Subsidiary	
Project Acct - US Bank 44000	2
Project Acct - US Bank 56000	<u>1</u>
Total Investment in Subsidiary	<u>3</u>
Total Investments	<u>32,366,513</u>
<b>Total Assets</b>	<b><u>131,849,744</u></b>

#### **Liabilities and Net Assets**

##### Liabilities

##### Short-term Liabilities

##### Accounts Payable

Accounts Payable

247,975

Accrued Payable - General

454,280

Total Accounts Payable

702,255

##### Accrued Liabilities

Accrued Payroll

316,181

FSA Employee Account

359

Total Accrued Liabilities

316,540

##### Deferred Revenue

Prepaid Rent

1,496,924

Prepaid Membership Dues

1,224

Prepaid Other

10,000

Deferred Income

3,500

Deposit - TT Tenants

44,000

Security Deposits

57,419

Total Deferred Revenue

1,613,067

##### Withholding Tax Payable

Accrued Payroll Taxes

1,623

Total Withholding Tax Payable

1,623

##### Other Short-term Liabilities

Loans Payable - Current

Accrued Interest

709,846

Total Loans Payable - Current

709,846

Total Other Short-term Liabilities

709,846

Total Short-term Liabilities

3,343,331

##### Long Term Liabilities

Notes Payable - Long Term

	<b>Year To Date</b>
	<b>12/31/2021</b>
	<b>Current Year Balance</b>
Note Payable - WAB 40M	35,220,000
Note Payable - WAB 10M	9,410,000
Total Long Term Notes Payable	<u>44,630,000</u>
Other Long-term Liabilities	
Other Liabilities	
Deferred Inflow	106,324
Total Other Liabilities	<u>106,324</u>
Total Other Long-term Liabilities	<u>106,324</u>
Total Long Term Liabilities	44,736,324
Other Liabilities	
Deposits - ENA	
Deposits - ENA	200,000
Total Deposits - ENA	<u>200,000</u>
Total Other Liabilities	<u>200,000</u>
Total Liabilities	<u>48,279,655</u>
Equity	
Fund Balance	
Retained Earnings	3,245,926
Government Fund	16,573,991
Net Capital Assets Government	2,794,359
Net Pension Assets Government	(428,050)
Enterprise Fund	7,859,513
Net Capital Assets Enterprise	42,866,063
Restricted for Debt Covenant	7,500,000
Total Fund Balance	<u>80,411,802</u>
Change In Net Assets	<u>3,158,287</u>
Total Equity	<u>83,570,089</u>
<b>Total Liabilities and Net Assets</b>	<b><u>131,849,744</u></b>

**Peninsula Health Care District**  
**Statement of Activities - Preliminary Draft**

	Quarter Ending			Year To Date			Year Ending
	12/31/2021			12/31/2021			06/30/2022
	Actual	2021 BUDGET	2022 Budget Diff	Actual	2021 BUDGET	2022 Budget Diff	2021 BUDGET
<b>Change In Net Assets</b>							
<b>Revenue</b>							
San Mateo County Tax	4,245,127	4,250,000	(4,873)	4,248,864	4,330,000	(81,136)	7,500,000
Rental Income							
Lease Income - Hospital	543,546	543,546	0	1,087,092	1,087,092	0	2,174,184
Lease Income - 1720 Marco Polo	38,255	41,390	(3,135)	79,562	82,781	(3,218)	165,561
Lease Income - 1740 Marco Polo	71,633	72,423	(790)	142,230	144,845	(2,616)	289,691
Lease Income - 111-113 16th St.	0	0	0	0	1	(1)	1
Total Rental Income	653,434	657,359	(3,925)	1,308,884	1,314,719	(5,835)	2,629,437
Lease Expense							
Lease Expenses - 1720 Marco Polo	(13,302)	(6,000)	(7,302)	(17,188)	(12,000)	(5,188)	(24,000)
Lease Expenses - 1740 Marco Polo	(25,671)	(36,000)	10,329	(45,009)	(72,000)	26,991	(144,000)
Lease Expenses - 430 No. El Camino Real	(25,465)	(18,000)	(7,465)	(28,001)	(27,000)	(1,001)	(45,000)
Lease Expenses - 1875 Trousdale	(9,043)	(12,000)	2,957	(14,623)	(24,000)	9,377	(48,000)
Lease Expenses - 111-113 16th St.	(6,537)	(2,700)	(3,837)	(8,830)	(5,400)	(3,430)	(10,800)
Lease Expenses - PWC Land	(4,369)	(3,800)	(569)	(5,709)	(5,600)	(109)	(9,200)
Total Lease Expense	(84,387)	(78,500)	(5,887)	(119,360)	(146,000)	26,640	(281,000)
Investment Income							
Investment Inc - LAIF	3,348	5,008	(1,660)	6,786	10,015	(3,230)	20,031
Investment Inc - SMC	7,682	8,718	(1,036)	16,412	17,437	(1,023)	34,873
Investment Inc - CNB	17,948	31,773	(13,825)	30,404	63,545	(33,142)	127,090
Investment Inc - FT	1,819	1,647	171	3,333	3,295	38	6,591
Investment Inc - Torrey	3,551	3,511	42	7,097	7,021	76	14,041
Investment Inc - US Bank	0	0	0	3	0	3	0
Investments - Unrealized G/L	(145,581)	0	(145,582)	(158,733)	0	(158,734)	0
Total Investment Income	(111,233)	50,657	(161,890)	(94,698)	101,313	(196,012)	202,626
Miscellaneous Income							
Misc Income - General	1,161,012	0	1,161,012	1,161,012	0	1,161,012	0
Nursing Grant/Loan Repayments	300	450	(150)	750	900	(150)	1,800
Rental Value for Use of Facilities (rent-free)	91,779	92,379	(600)	184,158	184,758	(600)	369,516
Total Miscellaneous Income	1,253,091	92,829	1,160,262	1,345,920	185,658	1,160,262	371,316
The Trousdale - Operating Revenue	2,333,470	2,498,940	(165,470)	4,662,956	4,857,637	(194,681)	10,722,269
Health & Fitness Center Revenue	27,907	21,037	6,870	56,480	41,835	14,646	109,205
Teen Mental Health Income							

	Quarter Ending 12/31/2021			Year To Date 12/31/2021			Year Ending 06/30/2022
	Actual	2021	2022	Actual	2021	2022	2021
		BUDGET	Budget Diff		BUDGET	Budget Diff	BUDGET
State Grant	0	125,000	(125,000)	0	250,000	(250,000)	500,000
Total Teen Mental Health Income	0	125,000	(125,000)	0	250,000	(250,000)	500,000
Total Revenue	8,317,409	7,617,322	700,087	11,409,046	10,935,162	473,884	21,753,853
<b>Expenditures</b>							
Community Health Investment							
Grants	0	0	0	210,000	240,000	30,000	1,950,000
Other Contributions & Grants	10,500	12,000	1,500	15,750	24,000	8,250	50,000
Targeted Prevention Program	28,024	60,000	31,976	28,024	120,000	91,976	250,000
Special Funding Initiatives	157,794	70,309	(87,485)	177,704	278,222	100,518	418,840
SDH San Mateo Funding	225,000	225,000	0	450,000	450,000	0	900,000
Community Outreach	3,036	12,000	8,964	5,095	24,000	18,905	50,000
Community Education	0	5,000	5,000	8,330	10,000	1,670	20,000
New Program Research & Development	56,043	125,001	68,958	56,044	250,002	193,958	500,000
Trousdale Rent Assistance Fund	16,516	60,000	43,484	34,516	120,000	85,484	240,000
Donated Value for Use of Facilities (rent-free)	91,779	92,379	600	184,158	184,758	600	369,516
PWC Project Cost	78,317	75,000	(3,317)	167,882	150,000	(17,882)	300,000
Total Community Health Investment	667,009	736,689	69,680	1,337,503	1,850,982	513,479	5,048,356
Salaries and Benefits							
Salaries	164,566	184,732	20,166	340,005	369,464	29,458	748,082
Health/Dental/Vision/Life Benefits	39,193	34,127	(5,067)	78,336	68,253	(10,082)	142,583
Retirement	11,003	15,530	4,528	23,601	31,062	7,461	62,124
Taxes & WC	6,656	14,957	8,301	16,216	29,913	13,697	59,826
Total Salaries and Benefits	221,418	249,346	27,928	458,158	498,692	40,534	1,012,615
General and Administrative Exp.							
Payroll Services	1,150	1,110	(40)	2,413	2,220	(193)	4,820
Office Supplies	4,682	5,400	719	6,702	10,800	4,098	21,600
IT & Phone	11,572	14,400	2,827	23,633	28,800	5,168	57,600
Maintenance & Repairs	2,718	5,625	2,907	4,604	11,250	6,646	22,500
ACHD Dues	3,043	3,300	257	6,085	6,600	515	13,000
Records Storage	1,066	1,200	134	2,133	2,400	266	4,800
Insurance	14,735	14,700	(34)	29,796	29,400	(396)	58,800
SMC Fees - Admin	0	0	0	0	0	0	70,000
SMC Fees - LAFCo	3,371	12,800	9,428	6,743	12,800	6,057	12,800
Legal - General	6,001	95,000	88,999	21,699	185,000	163,301	380,000
Legal - Real Estate	0	5,000	5,000	945	10,000	9,055	20,000
Consultant - Financial	0	10,000	10,000	0	10,000	10,000	25,000
Consultant - Communications	21,000	21,000	0	42,000	42,000	0	84,000
Consultant - Audit	12,500	27,500	15,000	12,500	27,500	15,000	27,500

	Quarter Ending 12/31/2021			Year To Date 12/31/2021			Year Ending 06/30/2022
	Actual	2021 2022 BUDGET	Budget Diff	Actual	2021 2022 BUDGET	Budget Diff	2021 2022 BUDGET
Consultant - Website	0	1,500	1,500	0	3,000	3,000	6,000
Travel & Meetings	3,072	7,500	4,428	4,814	8,700	3,886	23,700
1819 Trousdale Expense	2,098	3,000	902	4,173	6,000	1,827	12,000
Miscellaneous	9,846	11,000	1,154	17,251	13,800	(3,451)	18,000
Total General and Administrative Exp.	96,854	240,035	143,181	185,491	410,270	224,779	862,120
The Trousdale Assisted/Memory Care Expense	1,943,760	1,951,617	7,857	3,787,340	3,867,838	80,498	7,995,367
Health & Fitness Center Expense	76,217	81,002	4,785	152,163	163,482	11,319	331,491
Teen Mental Health Expense	54,746	172,666	117,919	109,841	338,083	228,241	1,390,001
Other Expense							
Depreciation Expense	684,518	686,515	1,998	1,368,448	1,372,699	4,252	2,852,269
Interest Expense	425,908	425,907	0	851,815	851,814	0	1,679,923
Total Other Expense	1,110,426	1,112,422	1,998	2,220,263	2,224,513	4,252	4,532,192
Total Expenditures	4,170,430	4,543,777	373,348	8,250,759	9,353,860	1,103,102	21,172,142
<b>Total Change In Net Assets</b>	<b>4,146,979</b>	<b>3,073,545</b>	<b>1,073,435</b>	<b>3,158,287</b>	<b>1,581,302</b>	<b>1,576,986</b>	<b>581,711</b>



**Peninsula Health Care District  
Checking Transactions  
November-21**

<b>Date</b>	<b>Description</b>	<b>Deposit</b>	<b>Withdraw</b>
<b>Admin</b>			
11/1/2021	CalPERS Pension		90.00
11/1/2021	CalPERS Pension		5,123.69
11/1/2021	Paychex		85.00
11/3/2021	FSA Payment		20.00
11/5/2021	Allied Administrators for Delta Dental		1,588.53
11/5/2021	Peninsula Volunteers, Inc		960.00
11/5/2021	U. S. Bank Equipment Finance		554.82
11/5/2021	Voler Strategic Advisors Inc.		7,000.00
11/5/2021	Well Connected Office		1,701.33
11/5/2021	San Mateo County		24,500.00
11/10/2021	Paychex		334.23
11/12/2021	California Public Employees Retirement		15,608.80
11/15/2021	City of Foster City		520.00
11/15/2021	Eide Bailly		12,500.00
11/15/2021	PG&E		184.96
11/15/2021	UNUM Life Insurance Company of America		409.26
11/15/2021	Sonrisas Dental Health		75,000.00
11/15/2021	Payroll Taxes 11/15/21		11,992.48
11/15/2021	Paychex Payroll 11/15/21		26,818.30
11/16/2021	CalPERS Pension		5,159.14
11/16/2021	County of San Mateo, CA	376,359.21	
11/18/2021	Cardmember Service		5,314.90
11/23/2021	KBA Docusys, Inc.		115.92
11/23/2021	Oropeza's Landscaping & Maintenance		450.00
11/23/2021	U. S. Bank Equipment Finance		6.77
11/23/2021	Vickie Yee		1,632.00
11/23/2021	Paychex		115.50
11/24/2021	FSA Payment		104.50
11/29/2021	Payroll Taxes 11/29/21		13,301.59
11/29/2021	Paychex Payroll 11/30/21		27,378.18
11/30/2021	Anna Naufahu	150.00	
11/30/2021	Workers Compensation Insurance Payroll		205.06
11/30/2021	Workers Compensation Insurance Payroll		215.87
		<b>376,509.21</b>	<b>238,990.83</b>
<b>Health Fitness</b>			
11/5/2021	Joan Sanchez		240.00
11/5/2021	U. S. Bank Equipment Finance		89.05
11/5/2021	Well Connected Office		200.60
11/10/2021	Mindbody Merchant Processing		362.34
11/15/2021	AT&T		459.05
11/15/2021	Crothall Laundry Services Inc.		773.27
11/15/2021	Gym Doctors		557.96
11/15/2021	J & E Pro Cleaning and Handy Services		1,150.00
11/15/2021	KBA Docusys, Inc.		31.55
11/15/2021	PG&E		731.45
11/18/2021	Cardmember Service		495.15
11/30/2021	Health and Fitness Member Deposit November 2021	9,151.68	
		<b>9,151.68</b>	<b>5,090.42</b>

<b>Date</b>	<b>Description</b>	<b>Deposit</b>	<b>Withdraw</b>
<b>Leasing</b>			
11/5/2021	PG&E		1,607.27
11/5/2021	Western Allied Mechanical, Inc.		1,278.00
11/11/2021	Preferred Prosthetics Inc.	2,716.17	
11/12/2021	Houn Young Kim, DDS	1,957.00	
11/12/2021	Doherty Realty Co.	1,666.88	
11/12/2021	Patricia Dugoni, CPA	2,400.00	
11/12/2021	Burlingame Therapeutic Associates	3,000.00	
11/12/2021	Dr. Chan Dental	3,895.75	
11/12/2021	Ability Path	6,628.00	
11/12/2021	Carol Tanzi & Associates	500.00	
11/12/2021	Ross Williams, DDS	2,022.52	
11/12/2021	Bay Area Foot Care	3,224.00	
11/12/2021	Eugene Kita, DDS	1,563.00	
11/12/2021	April Lee, DDS	103.52	
11/12/2021	April Lee, DDS	2,639.88	
11/12/2021	Zoya Galant, DDS	2,265.65	
11/12/2021	One Life Counseling Service	1,300.00	
11/15/2021	Bleyle Elevator, Inc		95.00
11/15/2021	J & E Pro Cleaning and Handy Services		1,945.84
11/15/2021	Pacific Coast Fire		375.00
11/15/2021	Western Allied Mechanical, Inc.		590.00
11/16/2021	One Life Counseling Service	1,300.00	
11/23/2021	Oropeza's Landscaping & Maintenance		480.00
11/23/2021	Pacific Coast Fire		650.00
11/23/2021	Senior Assist of the Peninsula, LLC		1,500.00
11/30/2021	Preferred Prosthetics check for December	2,716.17	
11/30/2021	Engene Kita's check - prepaid for December 2021	1,563.00	
11/30/2021	Zoya Galant Dec 2021 Rent	2,265.65	
		<b>43,727.19</b>	<b>8,521.11</b>
<b>Trousdale</b>			
11/1/2021	Heartland Merchant Account		224.95
11/5/2021	Eskaton Properties Inc		177,656.80
11/5/2021	Trousdale Tenant Deposit	30,956.87	
11/12/2021	Trousdale Tenant Deposit	86,017.35	
11/15/2021	Eskaton Properties Inc		40,751.82
11/15/2021	Trousdale Tenant Deposit	52,865.58	
11/17/2021	Trousdale Tenant Deposit	5,000.00	
11/18/2021	Trousdale Tenant Deposit	559,261.97	
11/19/2021	Trousdale Tenant Deposit	33,659.00	
11/23/2021	Eskaton Properties Inc		41,421.94
11/29/2021	Trousdale Tenant Deposit	14,479.00	
11/30/2021	Trousdale Tenant Deposit	5,000.00	
11/30/2021	Trousdale Tenant Deposit	17,805.93	
		<b>805,045.70</b>	<b>260,055.51</b>

**Peninsula Health Care District  
Checking Transactions  
December-21**

<b>Date</b>	<b>Description</b>	<b>Deposit</b>	<b>Withdraw</b>
<b>Admin</b>			
12/1/2021	CalPERS Pension		90.00
12/1/2021	Paychex		85.00
12/2/2021	CalPERS Pension		4,785.81
12/3/2021	Actionable Insights, LLC		6,500.00
12/3/2021	Allied Administrators for Delta Dental		1,408.91
12/3/2021	Association of CA Healthcare Districts		175.00
12/3/2021	Comcast		692.86
12/3/2021	Mark D. Hudak		6,075.00
12/3/2021	Recology		313.69
12/6/2021	County of San Mateo, CA	9,506.23	
12/8/2021	Eddie Flores	108.65	
12/9/2021	FSA Payment		65.00
12/10/2021	Best Best & Krieger, LLP		68.00
12/10/2021	J & E Pro Cleaning and Handy Services		560.00
12/10/2021	Julie Engberg, RD		200.00
12/10/2021	Peninsula Volunteers, Inc		1,920.00
12/10/2021	PG&E		154.35
12/10/2021	U. S. Bank Equipment Finance		254.22
12/13/2021	Paychex		157.13
12/13/2021	County of San Mateo, CA	4,658.75	
12/14/2021	California Public Employees Retirement		15,608.80
12/15/2021	CalPERS Pension		4,792.78
12/15/2021	Paychex Payroll 12/15/21		27,897.95
12/15/2021	County of San Mateo, CA	3,915.53	
12/16/2021	County of San Mateo, CA	3,387,044.37	
12/16/2021	Payroll Taxes 12/15/21		12,465.53
12/16/2021	Workers Compensation Insurance Payroll		207.82
12/20/2021	Print Ink Inc		757.97
12/20/2021	Cheryl A. Fama	7.50	
12/21/2021	County School Service Fund		55,843.75
12/21/2021	Health Affairs		318.00
12/21/2021	Interior Dynamics		810.00
12/21/2021	Mark D. Hudak		4,635.00
12/21/2021	Oropeza's Landscaping & Maintenance		450.00
12/21/2021	San Francisco Business Times		110.00
12/21/2021	UNUM Life Insurance Company of America		409.26
12/21/2021	Voler Strategic Advisors Inc.		7,000.00
12/21/2021	Well Connected Office		1,871.80
12/21/2021	CalPERS Pension		90.00
12/21/2021	Cardmember Service		1,434.41
12/21/2021	Cardmember Service		1,214.64
12/21/2021	Paychex		114.00
12/21/2021	County of San Mateo, CA	817,512.00	
12/23/2021	FSA Payment		45.00
12/27/2021	FSA Payment		100.00
12/28/2021	Business Card		38.09
12/28/2021	Clevoh LLC		45,943.00
12/28/2021	KBA Docusys, Inc.		115.92
12/28/2021	Parent Venture		8,330.00
12/28/2021	FSA Payment		31.62
12/29/2021	County of San Mateo, CA	343,500.00	
12/30/2021	Boston Private	1,214.64	
12/31/2021	CalPERS Pension		4,878.18
12/31/2021	Payroll Taxes 12/31/21		14,800.66
12/31/2021	Paychex Payroll 12/31/21		25,106.50
12/31/2021	Workers Compensation Insurance Payroll		213.57
12/31/2021	County of San Mateo, CA	167,171.04	
		<b>4,734,638.71</b>	<b>259,139.22</b>

Date	Description	Deposit	Withdraw
<b>Health Fitness</b>			
12/3/2021	Bay Alarm		305.01
12/3/2021	Bay Alarm		403.20
12/3/2021	Crothall Laundry Services Inc.		369.56
12/3/2021	Joan Sanchez		240.00
12/3/2021	Recology		677.09
12/10/2021	J & E Pro Cleaning and Handy Services		1,150.00
12/10/2021	KBA Docusys, Inc.		33.06
12/10/2021	PG&E		708.03
12/10/2021	Mindbody Merchant Processing		320.17
12/20/2021	Cardmember Service		560.65
12/21/2021	AT&T		224.45
12/21/2021	Bay Alarm		115.00
12/21/2021	U. S. Bank Equipment Finance		82.28
12/21/2021	Well Connected Office		200.60
12/31/2021	Health and Fitness Member Deposit December 2021	8,916.00	
		<b>8,916.00</b>	<b>5,389.10</b>
<b>Leasing</b>			
12/3/2021	Ralph Barsi		2,000.00
12/3/2021	Recology		1,354.26
12/3/2021	Recology		2,186.17
12/7/2021	Doherty Realty Co.	1,666.88	
12/7/2021	Houn Young Kim, DDS	1,957.00	
12/7/2021	Patricia Dugoni, CPA	2,400.00	
12/7/2021	Burlingame Therapeutic Associates	3,000.00	
12/7/2021	Dr. Chan Dental	3,895.75	
12/7/2021	Ability Path	6,628.00	
12/7/2021	Ross Williams, DDS	2,022.52	
12/7/2021	One Life Counseling Service	1,300.00	
12/7/2021	Bay Area Foot Care	3,224.00	
12/7/2021	April Lee, DDS	2,639.88	
12/10/2021	Bleyle Elevator, Inc		2,453.00
12/10/2021	J & E Pro Cleaning and Handy Services		2,095.84
12/10/2021	PG&E		1,650.68
12/10/2021	Western Allied Mechanical, Inc.		1,054.00
12/20/2021	Carol Tanzi & Associates	500.00	
12/20/2021	April Lee, DDS	496.58	
12/21/2021	Baca & Sons Ptg. Inc.		750.00
12/21/2021	I. C. Fire		222.50
12/21/2021	Oropeza's Landscaping & Maintenance		480.00
12/21/2021	Western Allied Mechanical, Inc.		2,303.33
12/21/2021	Cardmember Service		148.12
12/28/2021	GM Construction		4,775.00
12/28/2021	mperial Flooring Solutions		5,415.00
12/28/2021	Ralph Barsi		2,000.00
12/28/2021	Western Allied Mechanical, Inc.		771.56
12/30/2021	J & E Pro Cleaning and Handy Services:Lost Check - Uncashed		-130.00
12/31/2021	Dugoni Cox Jan 22 Rent	2,400.00	
12/31/2021	Eugene Kita Jan 22 Rent	1,563.00	
12/31/2021	Ross Williams Jan 22	2,022.52	
		<b>35,716.13</b>	<b>29,529.46</b>
<b>PWC</b>			
12/21/2021	ECPLA - Economic & Planning Systems, Inc.		1,925.00
12/21/2021	PECOI - Perkins Coie LLP		30,446.55
12/28/2021	PECOI - Perkins Coie LLP		43,201.80
		<b>0.00</b>	<b>75,573.35</b>
<b>Trousdale</b>			
12/1/2021	Heartland Merchant Account		408.29
12/2/2021	Trousdale Tenant Deposit	5,000.00	

<b>Date</b>	<b>Description</b>	<b>Deposit</b>	<b>Withdraw</b>
12/3/2021	Eskaton Properties Inc		281,571.71
12/13/2021	Trousdale Tenant Deposit	31,342.34	
12/15/2021	Trousdale Tenant Deposit	118,179.87	
12/16/2021	Trousdale Tenant Deposit	5,000.00	
12/17/2021	Trousdale Tenant Deposit	41,096.00	
12/20/2021	Trousdale Tenant Deposit	542,934.12	
12/21/2021	Eskaton Properties Inc		179,439.85
12/21/2021	Trousdale Tenant Deposit	5,000.00	
12/21/2021	Trousdale Tenant Deposit	19,808.32	
12/28/2021	Eskaton Properties Inc		378,116.98
12/31/2021	Trousdale Tenant Deposit	23,481.07	
		<b>791,841.72</b>	<b>839,536.83</b>



**BOARD OF DIRECTORS**  
**STRATEGIC DIRECTION OVERSIGHT**  
**COMMITTEE**  
**2022**

**Purpose:**

To advise the Board on economic, technological, and healthcare trends that may impact the health of the District's residents and the Board's response to those impacts and to provide oversight of the District's progress relative to the Board's strategic goals. Functions of this committee include:

1. Advising Board on community needs and District-proposed programs and projects to address needs.
2. Conducting an annual review of the Strategic Plan's implementation and performance to goals, objectives, and outcomes.
3. Providing oversight of new programs' performance relative to plans and metrics.
4. Serving as a key resource and liaison to local, state, and national trends that impact/influence the health of the community and the strategic activities of the District.
5. Providing input to the Board on the District's master property planning activities and future development of properties and facilities

**Membership:**

The Committee will be comprised of two representatives from the District Board of Directors and nine members from the community-at-large that reflect a broad range of professional skills, the geography of the District, as well as racial, ethnic, and gender diversity of constituents. Members will be appointed for 3-year terms and can be reappointed for additional 3-year terms. The Committee will be chaired by a Board Director; all will be voting members of this Committee. The District's CEO serves as a non-voting member.

**Members and Terms:**

- Director Lawrence Cappel, Chair, 2021-2023
- Director Frank Pagliaro, Co-Chair
- Dr. Wade Aubry, Healthcare Policy, Hillsborough 2021-2023
- Nirmala Bandrapalli, Burlingame Resident, former Planning Commissioner 2020-2022
- Dr. Cameron Emmott, Former PHCD & MPMC Director, Hillsborough 2021-2023
- Mark Johnson, Real Estate Broker, San Mateo 2021-2023
- Daniel Quigg, Civic Leader, Millbrae 2021-2023
- Sarkis Sarkisian, Civil Engineer, Burlingame 2021-2023
- Connie Jackson, Retired city manager, San Bruno 2020-2022
- VACANT, Foster City or San Bruno 2020-2022
- VACANT, San Bruno or Foster City 2020-2022

Meetings are held on the **1st Wednesday** of **the odd months** (J,M,M,J,S,N) at 5-6:30 PM.

**DATE:** January 16, 2022  
**TO:** PHCD Board of Directors  
**FROM:** Vickie Yee, CFO  
**SUBJECT:** **Annual Review and Approval of Finance Committee Charge and Members**

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As part of the annual review, the Finance Committee reviewed the Finance Committee Charge and Members on January 11, 2022.

The Committee made the following changes –

- Under functions – add banking managers to performance monitoring and add Internal Control Policy to periodic reviews.
- Under membership – increase the number of members from the community from 3 to 5 members.
- Under Members and Terms - Reappoint Paul Seto and Kristin Sun to another 3-year term.

The Finance Committee recommends Board approval of Finance Committee Charge and Members as presented.

**ACTION REQUESTED: Approval of Finance Committee Charge and Members.**

**BOARD OF DIRECTORS**  
**FINANCE COMMITTEE**  
**2021-2022**

**Purpose:**

To provide oversight of all Financial activities of the Board and report regularly to the Board on compliance with the Board’s Long Term Financial and Investment Policies, performance of investment managers’ and administration of the District’s governmental and entrepreneurial activities.

**Functions of this committee include:**

- Reviewing quarterly financials
- Monitoring performance against target financial ratios
- Monitoring the performance of investment and banking managers
- Overseeing the development of the annual budget
- Selecting the auditor and guiding the annual audit process
- Determining the allocation of investment deposits
- Conducting periodic reviews of the District’s Financial Policies:
  - Internal Control Policy
  - Strategic Financial Policy
  - Statement of Investment Policy
- Monitoring Sutter Health’s compliance with Master Agreement Terms
- Monitoring compliance with Western Alliance Bank construction loan covenants
- Monitoring performance of Eskaton Management Services agreements

**Membership:**

The Committee will be comprised of two representatives of the District Board of Directors, the District’s CEO and CFO, and three - five members from the community-at- large who will bring financial management expertise and experience to the work of the Committee and support the sound stewardship of the Board. Community members will be appointed for 3-year terms. Terms will be staggered to achieve continuity as well as “fresh eyes” to the District. Members can be reappointed for a second 3-year term.

**Members and Terms:**

<b>Members and Terms:</b>	<b>Terms</b>
➤ Director Dennis Zell, Chair	
➤ Director Helen Galligan	
➤ Member Paul Seto	2/2022 - 2/2025
➤ Member Kristin Sun	2/2022 - 2/2025
➤ Member Keith Hearle	11/2019 - 11/2022

Meetings will be held every other month.



**BOARD OF DIRECTOR'S  
CEO Report  
January 2022**

**ALLCOVE YOUTH DROP IN CENTER**

- Major progress and culmination of months of negotiations. The lease has been signed for the entire third floor of the building at 2600 El Camino Real in San Mateo and the State grant agreement has been signed with the Mental Health Services Oversight & Accountability Commission for \$2M to help launch this innovative program.
- The architect selection process for the tenant improvements has selected a firm. The contract has been reviewed by general counsel and Director Flores and will be presented to the Board for approval at the 1/27/22 Board meeting.
- The first *Launching Work Plan* meeting took place 1/18/22 with the Stanford team.
- The Youth Outreach Specialist position has been filled as of 1/18/22. Jackie Almes will be supporting, recruiting, and coordinating PHCD's Youth Advisory Group and its activities to help engage youth and their voice in the YAG and Launching work plan.

**PENINSULA WELLNESS COMMUNITY**

- Developers continue to prepare the development concept plan for submission to the City to launch the entitlement process.
- Talks continue with potential tenants for the Community Center for Health office building and potential programs and amenities for the HUB community center.
- With the Board's approval at the last meeting, Perkins-Eastman senior environment experts will be facilitating round tables with thought leaders and senior service futurists to hear the latest thinking and identify innovations for the PWC to make it unique and responsive to needs and trends.

**THE TROUSDALE [TT] ASSISTED LIVING/MEMORY CARE COMMUNITY:**

- The protracted power outage last month created challenges especially for the chef who resourcefully converted menus and operations to put out hot meals with electricity or gas.
- The power failure also helped identify the need for other areas to be connected to the generator and more emergency lighting in throughout.
- As of the 1/19/22 weekly Covid test results, 4 residents were positive and are restricted to their apartments for 10 days. All were vaccinated and boosted; only one has mild symptoms. Weekly testing is done on all residents and staff; however, results reporting is now six days.
- Occupancy is 105. Memory care is 91.3% and AL 72.3% occupied, making total occupancy 75,8%.

- We continue to work with the General Contractor to address facility issues that came to light with the heavy rains. The main area of focus is basement/parking area flooding and the exterior Prodem wooden panels on the southwest corner of the exterior. Except for two units that had some leaks, these issues to not impact resident units or common areas.

#### **SONRISAS DENTAL HEALTH (SDH):**

- The County's adult waiting list for access to basic dental care was >5000 when Sonrisas contracted to be a provider. That list is now down to <1400 through refocused efforts of the County and Sonrisas' participation.
- Total visits at both Sonrisas Centers through November are 5741, 33 ahead of budget; net income is positive and ahead of budget due to >\$700K in PPP and grants.
- School screening demand is increasing. Dr. Jue already has >1200 students scheduled in CY Q1.
- The Half Moon Bay Center just completed a long overdue facility 'refreshing – paint, carpet, and HVAC. Staff and patients are thrilled. Funding for that came out of the Merrill Lynch fund on the coastside that was established prior to the PHCD affiliation.
- The Board has launched a strategic planning process that will explore expansion to other areas of the County with other partners.

#### **MICKELSON POOL**

- PHCD received a letter from the save the pool advocates' attorney on 12/9 which I responded to 12/16 reiterating all that PHCD had done to date to address the issue with hospital administration including offering financial support, as well as, seeking short term alternatives, and pursuing a new location.
- Met with CEO Wagner on 1/7 to again advocate for keeping it open and if not Sutter, subleasing the area. Ms. Wagner reaffirmed MPMC's priorities as acute, life-saving care, the decision to stay closed is not going to change, and they plan to put an expanded and updated cancer center at the Mills campus.
- Millbrae City Manager continues to express interest in putting a therapy pool adjacent to the city's new recreation center, but to my knowledge, no further exploration has been launched.

#### **COMMUNITY ACTIVITIES:**

12/13: Meeting with Claire Bleymaier, new County Dental Health liaison to the Oral Health Coalition and

01/05: Meeting with San Bruno Park School District staff to explore providing vaccination clinics and increasing use of the Belle Air health clinic established for them by PHCD.

01/06: ACHD CEO Roundtable

01/12: Commission on the Status of Women, Mental Health Work Group

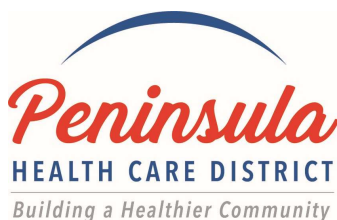
01/18: Meeting with Stanford's allcove team

01/18: Sonrisas Board Strategic Planning Session

01/25: Commission on the Status of Women monthly meeting

01/26: ACHD Education Committee

01/26: Burlingame Rotary Board meeting



## **CFO REPORT JANUARY 2022**

### **DEBT SERVICE PAYMENT:**

There are two loans outstanding from the Trousdale construction:

1. \$40M @ 3.91% from 2014 with a current balance of \$34,050,000
2. \$10M @ 3.47% from 2017 with a current balance of \$9,100,000

Principal and interest payments are due in February and August of each year.

On January 10th, two payments were processed in the amounts of \$1,868,551.00 (\$40M Debt) and \$473,263.50 (\$10M Debt).

### **FINANCE COMMITTEE MEETING – JANUARY 11<sup>TH</sup> RECAP:**

Recent Bank Incident – PHCD experienced a fraudulent attempt to wire transfer a significant amount out of our account, but we caught it within 2 hours of the transfer notice. The bank was notified, and the full amount was retrieved back into our account. The regional Sr. VP of the bank attended the meeting and addressed the issue. Both the bank and District did a full assessment of security measures in place to identify any breach of internal controls and/or security systems. There was no PHCD breach, and the cybersecurity assessment did not identify any breakdown or irregular activity. As a precaution, multifactor authentication will be added to all District emails.

Due to the bank fraud incident, the District has opened 12 new bank accounts (6 primary + 6 shadow) to replace the existing ones. New checks and endorsement stamps have been received, and we are currently using the new accounts for daily transactions. The old accounts will be closed once all the outstanding checks have been cleared and ACH information has been updated with the District's banks, vendors, and depositors. We should be able to complete the transition by the end of February. All security features such as Positive Pay, authorized signers, and online login authorizations remained the same.

CSDA COVID Grant Update – In October, the District applied for a CSDA (California Special District Association) COVID relief grant available to Independent Special Districts. As a result, the District was awarded \$817K, the highest in the County.

There were two ways to qualify – either a loss in revenue in FY 21 compared to a base year FY 19 or unanticipated costs due to the pandemic from March 2020 to June 2021. The District qualified for the latter. There was \$100M available and would be distributed according to the prorated share of all qualifying Districts. In the past year and a half, the District had provided \$3M to the County for an Alternative Care Facility, \$600K in COVID Relief grants, and purchased PPEs for the community; and therefore was able to substantiate a \$4.1M of unanticipated COVID related cost for the grant application.

Management is making a proposal to the Board to reallocate some of those funds to continue PHCD's campaign to promote safety and vaccinations.

*Finance Committee and Members Annual Review* – Some minor changes were made to the previous version. The only significant difference is adding a couple more members to the Committee, from 3 members of the public to 5. The Committee also reappointed Paul Seto and Kristen Sun to another 3-year term. The updated version will be presented to the full Board for approval.

*All other items on the agenda were tabled to the next meeting.*

### **PHCD Q2 YTD PERFORMANCE:**

#### *PHCD Activities* –

- San Mateo County tax revenue \$4.2M (on track to budget)
- \$817K received from successful CSDA Grant application
- \$343K was returned from HPSM for unused grant funding
- Investment income was lower than budget due to lower interest and unrealized losses. However, the unrealized loss is temporary and will disappear once the bonds mature.
- The Marco Polo properties continue to incur significant repair & maintenance cost
- COVID has delayed the launch of some programs; therefore, budgeted funds from allcove and Community Health Investment programs have not been used.
- General and administrative expenses are on track

#### *The Trousdale* -

- Operating Margin was a positive \$834K (before depreciation & interest expense)
- 103 residents and 92 units occupied
- Move-ins & Move-outs were a net of four behind budget
- One-time application fee revenue lower than budget
- COVID-19 Supplies & Expenses YTD were \$45,359
- Hiring staff and staff retention continue to be a challenge – a sign-on bonus is in place, and a staffing agency is being used to fill the gaps.

#### *The Health & Fitness Center* –

- Better than budget by \$26K
- 141 members – 38 better than budget – slightly increasing each month.
- Massage therapy is picking up - \$5,460 better than budget
- Expenses are on track.

**The next Finance Committee meeting will be on March 8<sup>th</sup> at 2 pm.**

**BOARD OF DIRECTORS**  
**Community Engagement Director**  
**Monthly Report**  
**January 2022**

### ***Community Grants Program***

- 2021 Community Grants Program will culminate with year-end reports January 31.
- 2022 Community Grants Program has begun. Forty-one Grantee Agreements and the award checks were mailed out this week.
- The Community Health Investment Committee meeting plan and work schedule is set. The Committee will begin meeting on August 1, 2022.

### ***COVID Campaign 2022***

Peninsula Health Care District has been providing COVID relief assistance since early 2020. As the pandemic has morphed, PHCD has adapted and responded. In order to be more proactive, however, management is recommending a multifaceted approach it believes will provide maximum value and public health impact. Recommendations outlined in Board packet.

### ***San Bruno Park School District Health Clinic***

Meetings twice a month with Marie Lukehart, Kristin Vogel-Campbell, Marianna Solomon (San Bruno Park School District) and Cheryl Fama to establish core services for the clinic. Viable programs have been identified. At its next meeting, the group will begin work on an implementation time-line and budget. The following services continue to be explored:

- Pediatric COVID vaccinations – partner San Mateo County Health and
- Back-to-school immunizations
- Wellness Pantry - partner Second Harvest
- Dental exams - partner Sonrisas
- CPR infant classes by Erica Lyons
- Health Insurance enrollment – partner Health Plan of San Mateo
- Wellness classes – potential partners UC Nutrition, etc.
- Volunteer support – potential partners: San Bruno Parents Club, Lions Club, Rotary Club, etc.
- English classes - potential partners: Upward Scholars

### Peninsula Wellness Community - HUB

Cheryl Fama and I met with Perkins Eastman's Alexis Denton and Leslie Moldow to outline next steps for the brain storming sessions.

1. PerkinEastman (PE) to convene a group of visionaries and experts on February 7, 2022 and discuss what will be needed ten years from now as well as what could be.
2. PE will reconvene with PHCD staff and present preliminary finding
3. Gather PHCD stakeholders and present outcomes from number 1

### Hep B Free

1. AB 789 Signed into law
  - Requires voluntary screenings (adults) hepatitis B and C in a primary care setting
  - Waiting for state guidance on implementation
2. Advisory Committee on Immunization Practices (ACIP)
  - Nov 3rd – ACIP voted to expand the adult hepatitis B vaccination for all adults aged 19 -59 years. Recommendation unanimously passed
  - Recommend **hepatitis B vaccination for all adults aged 19 to 59 years.**

### Outreach and Community Engagement Meetings

Have met with the following people/organizations to further advance our mission and initiatives:

- Kate Moser, WizeHive – Grant platform reconstruction
- Lizelle Lirio de Luna, Director of Family Health Services  
Director of Public Health Nursing – San Bruno 5-11 vac clinic
- Linda Wolin, Deputy to Supervisor Dave Pine – SB vac clinic
- Marie Lukehart & Kristin Vogel-Campbell, San Bruno School District - vac clinic & health clinic
- Dr. Wong, Medical Director Samaritan House – San Bruno Clinic
- Leslie Moldow and Alexis Denton, Perkins Eastman – Hub
- Stephanie Vitagliano, WizeHive – ongoing meetings redesign Grant portal
- Erica Lyons, CPR Trainer – infant CPR
- Theresa De Dios, YMCA – partnership opportunity
- Vickie and Nicola Burt, Peninsula Jewish Community Center - PJCC Pink Class
- Charlene Margot, April Torres - Spring Parent Education Workshop
- San Mateo School-Based Mental Health Collaborative
- School Wellness Coordinators
- Healthy Community Collaborative Group

**DATE:** January 27, 2022  
**TO:** PHCD Board of Directors  
**FROM:** Eddie Flores, Director Youth Behavioral Health Programs  
**RE:** Director's Monthly Report – January 2022.

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**allcove™ Grant Agreement - Youth Drop in Center via Mental Health Services Oversight & Accountability Commission (MHSOAC)**

We are happy to inform the board that the contract agreement with MHSOAC State grantor for the allcove™ youth drop-in center was finalized and signed in accordance with the direction given by the Board at the October 2021 board meeting. The agreements were received during the last weeks of 2021 and finalized via formal signature and legal review earlier this month.

We are happy to move forward in this very important initiative for our communities. There are two additional documents to be further finalized with Stanford, a business associates' agreement (BAA) as well as finalized data software agreements. Once the State has finalized these documents, they will issue them to us. We will keep the board abreast.

**allcove™ youth drop-in center San Mateo Location: 2600 El Camino Real**

We are equally excited to share with the Board that the final lease documents of the 2600 El Camino Real site location have been finalized and received during the last weeks of 2021 and formally signed earlier this month. We are now working with our insurance broker to solicit the required insurance coverage to be able to obtain the keys to the location. Staff will also be scheduling a few (socially-distance, covid-safe) small walkthroughs to ensure a smooth progression as we now embark on finalizing an architect firm to support our tenant improvement journey in the upcoming months.

**allcove™/Stanford Center for Youth Mental Health and Wellbeing**

We have continued to have our monthly check-in meetings with Stanford Center for Youth Mental Health and Wellbeing staff as the technical assistance partner for the MHSOAC allcove™ grant.

As part of the kick-off formal baseline intake of the allcove™ program, and to support our implementation planning activities, we will be submitting an Establishment Work Plan (EWP) to track progress towards the establishment of the allcove™ center in alignment to the model ensuring the timely commencement of services in the funded community.

As part of the EWP we will be submitting a preliminary (subject to change) milestone timeline with projected completion dates as per the table below. The following table is to provide the board some of our targeted milestones, some of which we have already completed.

Milestones	Date
Project team assembled	Spring 2021
Youth Advisory Group established	Spring 2021

Community consortium established	February - March 2022
Facility secured	December 2021
Fit out and permits completed	Spring/Summer 2022
Center design completed (furniture, branding, etc.)	Fall 2022
Appointment of the Center manager	Spring 2021
Center staffing completed	Spring 2022
Completion of partnership service agreements	Spring 2022
Data collection requirements completed	Spring/Summer 2022
Completion of core model integrity documents (8 weeks before opening)	Summer 2022
Model integrity self-assessment (at least 8 weeks before opening)	Summer 2022
Readiness to commence services model integrity review (2 weeks prior to opening)	Late Summer 2022
Center "soft launch" opening (at least 4 weeks before public launch)	Fall 2022
Center public launch event & ribbon cutting	Late Fall 2022

### **New Youth Outreach Specialist**

We are happy to welcome to our PHCD family Jackie Almes, as our new Youth Outreach Specialist. Jackie is a native to the peninsula and lives in San Mateo. She comes to us with great energy and passion in working with youth and mental health. Ms. Almes graduated in 2020 with a bachelor's in psychology from the University of Arizona. She will be supporting the work of our youth advisory group (YAG), allcove youth drop-in center, as well as other youth engagement and related activities. We are excited to welcome Jackie to the PHCD. She will be reporting to Eddie Flores, Director of Youth Behavioral Health Programs.

### **Care Solace**

Care Solace continues to be a strong and active partner with PHCD. To increase visibility, outreach, and utilization, as mentioned in last month's report, we are continuing our outreach campaign directed at Superintendents and School Board Presidents of the five school districts served by PHCD. As shared during our November report, we have already presented to the Burlingame School District and San Mateo Foster City School Districts. We are happy to confirm that we are scheduled to present to the San Bruno Park School District Board of Trustees on Wednesday, February 9<sup>th</sup>. We will update the Board in our February board report with the outcome. Right now, San Bruno community is highly utilizing the Care Solace service with some of the highest utilization numbers in all of our five districts covered through this partnership.



**San Mateo County – Mental Health Services Steering Committee**

We are excited to share with the Board that Eddie Flores, Director of Youth Behavioral Health Programs, has been accepted to be part of the San Mateo County Mental Health Services Steering Committee (MHSA). The MHSA Steering Committee plays a critical role in the Community Program Planning (CPP) processes, and the development of the MHSA Three-Year Program and Expenditure Plan and Annual Updates.

As informed by members, the Goals of the MHSA Steering Committee include the following:

1. Represent diverse community and stakeholder voices.
2. Support the participation of individuals living with mental health challenges, their families and direct service providers.
3. Develop meaningful and simplified input processes.
4. Include equity and inclusion in all MHSA processes and priorities.
5. Actively participate in MHSA Steering Committee meetings, workgroups and other input processes.
6. Engage in funding, planning, implementation and evaluation decisions of MHSA services and programs.
7. Review input received through CPP processes, make recommendations and prioritize programs and funding allocations

The MHSA Steering Committee meets four (4) times per year\* and are scheduled for the first Thursday in February, May, September, and December at 3pm. All MHSA Steering Committee meetings are open to the public and will include time for public comment and means for submission of written comments.

The MHSA Steering Committee was established as a Standing Committee of the Mental Health and Substance Abuse Recovery Commission (MHSARC)



**Peninsula Health Care District**  
**Health & Fitness Center**

**CENTER DIRECTOR REPORT**  
**JANUARY 2022**

**A. Fitness Center Operations**

- Members, staff, visitors, and vendors who enter the Fitness Center must be fully vaccinated and wear a mask over their nose and mouth while at the Center
- Total active members currently attending the Center: 140
- Current class offerings: Seniors in Motion, Balance Fitness, Gentle Flow Stretches & Yoga and Tune-up Circuit
- Massage Therapy appointments average 5 per week
  - Number of massage appointments completed since July 2021: 134

**B. Co-Hosted Class Offerings**

- Memory Café offers free in person social gatherings for participants and their care partner at the Fitness Center on the first Wednesday of each month (Catholic Charities, Burlingame Park and Recreation, Burlingame Rotary)
- Pink Power exercise trial class taught in December at the Center by Vicki McGrath (Breast Cancer Exercise Specialist) from PJCC; no charge and open to the public; will revisit if regular classes will be held at the Fitness Center in 2022 depending on interest level

**C. Outreach**

- Educational/outreach opportunities sent via email to Fitness Center members:
  - COVID-19 vaccination and booster opportunities
  - COVID-19 testing resources
  - Fall Prevention education with resources from the CDC and the Fall Prevention Coalition in San Mateo County
  - Home Safety Information including contact information for Home Safety Services in Burlingame (member referral)
  - Assistance provided to sign up to receive free at-home COVID-19 tests

**D. Accolades**

- “ The Fitness Center is a healthy place to exercise because the staff keeps it so clean. The atmosphere at the Fitness center is friendly and supportive. I take the Wednesday fitness class, and Mary does a great job of working us out but also paying attention to our form and our safety. Here’s a shout out to Michelle for not only establishing a very positive environment and safe environment, but through her emails keeping us informed of good programs on zoom, and Covid related safety things that we should know or can access.” –Jean P. (member)

**DATE:** January 20, 2022  
**TO:** PHCD Board of Directors  
**FROM:** Stephanie Arevalo Rodriguez, Business Operations Manager  
**SUBJECT: Quarterly Communications Report**

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### **Website analytics**

Please see the attached communications dashboards for quarter 2 of FY 22'. The analysis includes google analytics of all three websites and comparison data for quarter one and two. In comparison to quarter one, our main district site visits totaled 2,821 with a 500+ increase from quarter one and total impressions increased from 11k to 16k.

The top pages viewed on our district site include our main page, about us, grants, news and contact form. The Health & Fitness center website views increased by 200+ in addition to significant increase in impressions by 400+ indicating more engagement with folks through various platforms. E-news, E-blasts, Facebook, Instagram etc. Peninsula Wellness Community website visits decreased by 500+ from quarter one but noted an increase in impressions by 350+ from information provided through e newsletters, e blasts etc.

As a refresher, please see definitions below.

### **Definitions**

- **Website Visits**- total number of website sessions

- **Impressions**- How many times a user sees the link to our site in search results. As a result, this could be from our program websites (Trousdale, Sonrisas Dental Health), Facebook posts, etc.

**Direct Traffic**- Where the user directly searched our website. This could be a google search, directly clicked from Facebook, direct click from our e-newsletter, or searched Peninsula Health Care District in the web search bar.

**Top Page Visited**- Most frequent website pages visited, (Home page, Staff page, Grant page, program page)

**Paid Reach**-Number of people who viewed a **sponsored** post on Facebook at least once

**Open Rate-** Number of folks who open the email distributed through our e-newsletter program Mailchimp

### **Facebook Analytics**

Facebook is the primary social media tool we use to enhance visibility, promote the district, and highlight District contributions to building a healthier community. This past quarter we launched the district Instagram page to increase visibility to a broader/ younger audience which may not use Facebook as often and received positive feedback and engagement. Next quarter we will have comparison numbers on Instagram views and engagements.

Both the Facebook and Instagram posts are published three times a week and tracked monthly. This past quarter, we reviewed and compared the total posts, paid engagement, views, and reach from October to December. Quarter two themes include Covid resources, Vaccination pop up clinic, covid-19 webinar education series, healthy eating, and gratitude videos engagement from community leaders. Such as Senator Becker, County Supervisor Dave Canepa, Mayor Royce of Hillsborough.

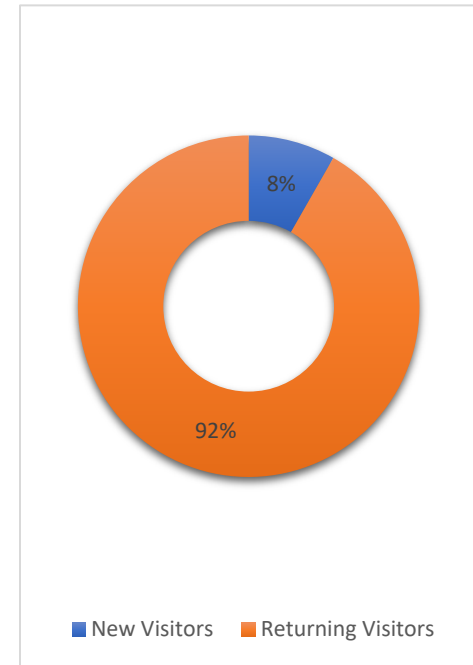
The highest paid reach (***number of people who saw our posts that we boosted on Facebook at least once***) posts this quarter was in the month of December of a Covid-19 Omicron informational post that reached over 2.6k views.

### **E-newsletter analytics**

Monthly e-newsletters present brief updates on Board actions and District programs and include visually attractive photos and infographic updates. The PHCD mailing list includes civic leaders, community partners, and District residents. The e-newsletter is in its second year and continues to sustain a high open rate, and drives clicks to the website for more information. This past quarter we launched E-blasts, which are one topic highlight news briefs. This quarter, e-newsletters and e-blasts focused on board actions, special meeting announcements, partnerships with Hep B Free, Parent Venture education announcements for hosted vaccination webinars etc. The activities also result in more subscribers, program visibility, and promotion of our programs.

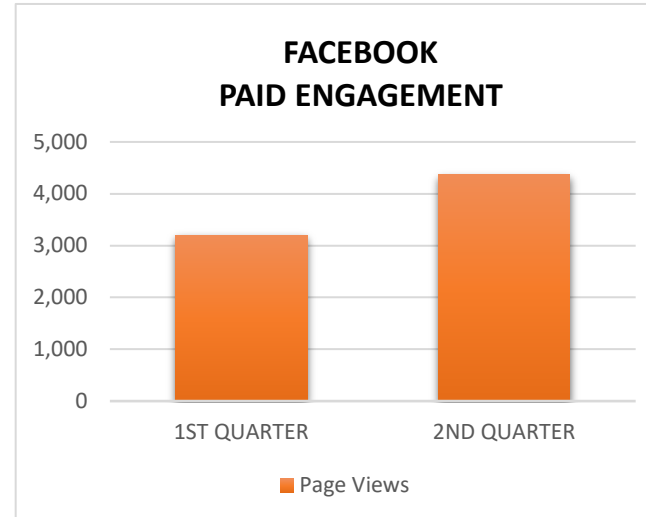
The average open rate (***folks who opened the email distributed***) for the 2nd quarter was 38% of our 2k subscribers an 8% increase from last quarter. The open rate of our subscribers is important in tracking and analyzing how many folks are reading our content, clicking on the links of information provided and staying engaged with the district. This information allows us to analyze what themes our constituents are most interested in, what is attractive and where we can improve on the next newsletters and e-blasts to come.

WEBSITE ANALYTICS		QUARTER 2	QUARTER 1
<b>VISITS</b> (total number of sessions)		2,821	2,382
<b>TIME ON SITE</b> (average session duration)		1:11	01:55
<b>TOTAL IMPRESSIONS</b>		16K	11.9K
<b>TOP 5 PAGES VISITED</b>		HOMEPAGE	HOMEPAGE
		ABOUT	GRANTS
		GRANTS	CONTACT US
		CONTACT US	NEWS
		NEWS	TEEN MENTAL HEALTH PAGE
<b>TOP 5 SOURCES OF TRAFFIC</b>		DIRECT	DIRECT
		GOOGLE	GOOGLE
		REFERRAL	FB MOBILE
		SOCIAL MEDIA FB/IG	FB DESKTOP
		ENEWSLETTER	REFERRAL
WEBSITE ANALYTICS PENINSULA WELLNESS COMMUNITY		QUARTER 2	QUARTER 1
<b>VISITS</b> (total number of sessions)	257		824
<b>TIME ON SITE</b> (average session duration)	1:00		01:32
<b>TOTAL IMPRESSIONS</b>	872		510
<b>TOP 5 PAGES VISITED</b>		PWC HOMEPAGE	PWC HOMEPAGE
		ENA	ENA ATTACHMENTS
		THE PROJECT	THE PROJECT
		ENA	UPDATES
		UPDATES	FAQ
<b>TOP 5 SOURCES OF TRAFFIC</b>		DIRECT	DIRECT
		GOOGLE	GOOGLE
		REFERRAL	FB MOBILE
		SOCIAL MEDIA FB/IG	FB DESKTOP
		E NEWSLETTER	REFERRAL

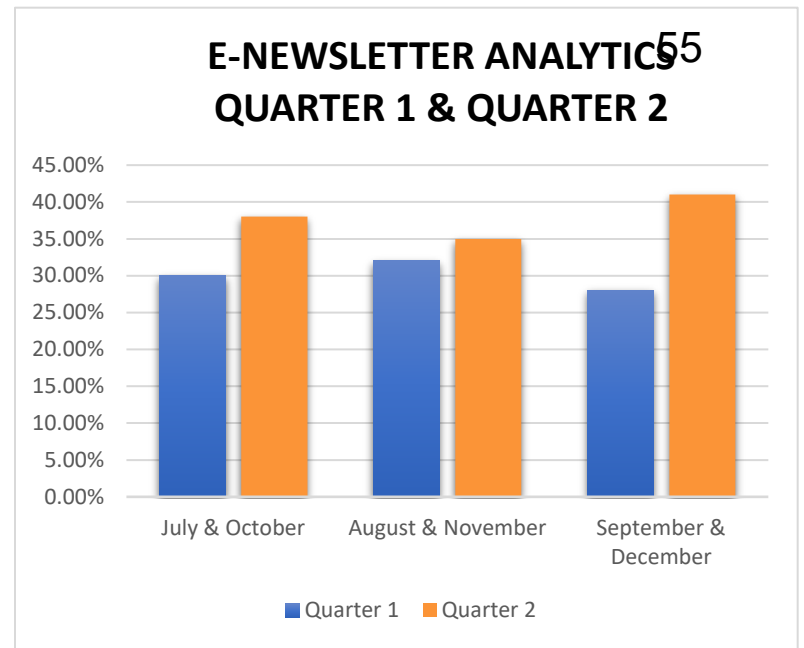


WEBSITE ANALYTICS PHCD HEALTH & FITNESS CENTER QUARTER 2		QUARTER 1
<b>VISITS</b> (total number of sessions)	431	280
<b>TIME ON SITE</b> (average session duration)	2:07	01:12
<b>TOTAL IMPRESSIONS</b>	1.1K	679
<b>TOP 5 PAGES VISITED</b>	HOME PAGE	HOME PAGE
	CLASSES	TEAM
	TEAM	MEMBERSHIP
	MEMBERSHIP	ABOUT
	ABOUT	MASSAGE THERAPY
<b>TOP 5 SOURCES OF TRAFFIC</b>	DIRECT	DIRECT
	GOOGLE	GOOGLE
	REFERRAL	FB MOBILE
	SOCIAL	FB DESKTOP
	EMAIL	REFERRAL

FACEBOOK ANALYTICS	QUARTER 2 (OCT-DEC)	QUARTER 1 (JULY-SEP)
<b>PAGE FOLLOWERS</b> (total number of people who “like” our page)	1,222	1,081
<b>NO. OF POSTS PUBLISHED</b>	44	40
<b>NO. OF PAID POSTS</b>	28	31
<b>PAID POST REACH</b>	26,748	95,077
<b>PAID ENGAGEMENT</b>	4,371	3,196



DATE	OPEN RATE QUARTER 2	OPEN RATE QUARTER 1	TOP 3 LINKS CLICKED
OCTOBER	38%	30%	<ul style="list-style-type: none"> <li>• COVID-19 POLICY</li> <li>• MEETING NOTICE</li> <li>• HEP B FREE PETITION</li> </ul>
NOVEMBER	35%	32%	<ul style="list-style-type: none"> <li>• MEETING AGENDA</li> <li>• VAXX WEBINAR</li> <li>• HEALTH &amp; FITNESS CENTER LINK</li> </ul>
DECMEBER	41%	28%	<ul style="list-style-type: none"> <li>• MEETING AGENDA</li> <li>• VAXX WEBINAR</li> <li>• VAXX WEBINAR</li> </ul>



TOTAL E-NEWSLETTER UNSUBSCRIBERS	
OCT-DEC	JULY-SEP
34	12



## Community Engagement COVID Campaign 2022

Peninsula Health Care District has been providing COVID relief assistance since early 2020. As the pandemic continued to morph, management diligently responded to requests from our community. In order to be more proactive, however, management is recommending a multifaceted approach it believes will provide maximum value and public health impact.

### 1. Accessible COVID Vaccination Sites

PHCD will fund vaccination clinics at Belle Air School in San Bruno focused on youth ages 5 – 11 years. We are partnering with Belle Air School leadership, Supervisor Dave Pine's office, San Mateo County Health, and Lookout Health. The clinics will be held in February (TBD) at 1:30 – 6:00 pm to accommodate family schedules.

### 2. Rapid Test Kit Access

PHCD management is in conversation with school leadership and community organizations to provide access to rapid test kits. The following strategies will be employed:

#### a. Education & Communication

- Non-English media blitz - *How to Access 4-free At-Home Rapid Test Kits & High Quality Masks*
- Create English and non-English *COVID Resource Sheet*
- Partner with orgs which are able to register non-English speakers to access the free test kits and masks

#### b. PHCD-Sponsored Rapid Test Kits

- Bulk purchase rapid-test kits, upgrading as technology evolves
- Distribute test kits to identified organizations serving hard-to-reach communities within our district

### 3. Mitigate Spread - Personal Protective Equipment

- Collaborate with schools and partner nonprofits to determine need for PPE, e.g. high-quality masks and hand sanitizers
- Bulk purchase and distribute needed PPE



#### 4. Town Halls - Vaccination Awareness Series

Continue to promote PHCD webinars on vaccination for youth ages 5 - 11

- Children & COVID Vaccine: Health Care Experts Answer Questions
- “I Don’t Like Needles” - How to Support Kids With Vaccine Anxiety
- Additional webinars to be produced as needed

#### 5. PHCD’s Public Health Standard - Mask, Vax & Boost

Serve as resource for our partner organizations to identify vaccination sites and share PHCD’s vaccination and mask policy as needed. Policy will be posted on our website

#### 6. PHCD Website

Update the *COVID Resources* section of our website to include information listed above

#### **In-Process - Exploring:**

Protect those most at risk and advance equity

1. Some households are composed of multiple families living in the same unit. How to get more than 4 free rapid test kits to such households? Called Lisa Tealer (BACHAC) – multi family living in same unit
2. Best methods to serve hard-to-reach neighborhoods  
Linda Wolin will connect - Office of Community Affairs (trusted partner)
3. Schools - What are they missing?  
Outdoor space, masks, rapid tests  
Call Patricia Love
4. At San Bruno Vax Clinic:  
Person to sign-up/register (iPad) families for free test kits/masks  
Pass out PHCD masks and gels  
Share *PHCD Resource Sheet*  
Literacy

#### **Action Requested:**

**Board approval** to proceed with COVID Campaign 2022 and the suggested activities.

**Request** \$250K for calendar year 2022

**Funding source** is the CSDA reimbursement grant (PHCD’s prior COVID response activities.) This would be a separate budget line item to be drawn upon to fund the outlined activities and other yet identified needs related to COVID.

**DATE:** January 27, 2022  
**TO:** PHCD Board of Directors  
**FROM:** Eddie Flores, Director Youth Behavioral Health Programs  
**RE:** Approval of 2600 El Camino Real allcove-San Mateo proposal for architectural contract:  
 DES Architects

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**Background:**

The Board approved the lease of the 2600 El Camino Real location as the future home of the allcove™-San Mateo youth drop-in center. As such, staff, along with legal counsel Mark Hudak and facilities contractor Mr. Ralph Barsi have done a concerted effort to reach out to several other architectural agencies and we feel that the attached proposal would be the best fit in terms of what is needed to make the necessary remodeling of the 2600 ECR site location. To address any immediate questions or concerns, this proposal was previously shared to the members of the Board facilities subcommittee, (Chair Cappel and Director Pagliaro) before submitting it for full board consideration and approval.

**Recommendation:**

We have engaged DES Architects (Howard Kwok-architect) as our final candidate to be the architectural firm to support the work at our new 2600 El Camino Real (future home of allcove™ San Mateo youth drop-in center). Staff recommends selecting DES Architects as the firm to support the work to be completed at our new leased location. DES Architects is happy to work with PHCD on any adjustment needed - they want to start building a healthy and strong relationship together with PHCD.

**Discussion:**

Please take note of the following items that we have discussed and confirmed with DES Architects:

**References & Familiarity of Project:**

- PHCD feels comfortable in recommending the work of DES Architects. They previously worked with us to create a “test-fit” of the space prior to approval and lease negotiations and have understood the vision and mission of *allcove™* and the intended use of the space. Howard (architect) has also toured the facility last Spring and has worked connectively with Karen Chin, our real estate broker. As you will note the initial proposal was submitted on 8/1/21 and updated on 12/16/21, this firm was the first to express genuine professional interest in our 2600 El Camino real allcove site.
- Staff will ensure that there is a due-diligence process in terms of checking references for DES Architects to ensure positive recommendations from previous clients/projects.

**Costs:**

- The fee amount in the proposal is DES Architects estimation of Time & Expense (T&E) set up and not a Fixed fee set up (they will invoice the labor effort spent only). They have assured us that they will work with everyone to control cost and may even spend less if the design process goes smoothly consistent to our test fit concepts.

**Bidding, and Quotation Phase:**

- Since PHCD is a public agency, we are required to undergo an RFP process for contractor to complete the tenant improvement work in the space. DES will assist PHCD during the RFP process by responding to Bid-RFI (Bid Request for information). The proposed DES scope is to assist PHCD's Contractor RFP selection process for commenting on GC Bids and responding to Bid-RFIs, but not as the facilitator of actual GC Bid process. PHCD will see out an additional contractor/vendor to provide these intricate and time-consuming services.
- In this proposal, DES Architects work will be to help PHCD to review bids, respond to their questions and provide recommendations/comments. But will let PHCD and Ralph to set up and run the bidding process - they will be there to assist.

**Construction Administration Phase:**

- We want to be sure that there will be a high level of final accountability in terms of the oversight of the contractor and the final work completed. To that end, DES Architects has confirmed that their typical scope of work includes field observations and not inspection ("observation" involves a scope of services that only allows for a general review of the contractor's work to visually determine if compliance is apparent.)

**Timing:**

- During proposal prep time last summer, DES Architects had to make quite a bit of assumptions in scope, expectation, and schedule. The design phase's duration can be adjusted depending on the level of design exploration from PHCD, and the Construction Document phase can be shorter if the design solutions are found straight forward.
- DES is happy to find the best balance with the PHCD target schedule. Based on our past 2 years of pandemic permit approval coordination, generally the City of San Mateo permit processing/review/approval period have been longer than normal.

**Other Available Services:**

- DES Architects will also cover the CASp-ADA reviewing of existing conditions and will add that into the proposal they will include the CASp-ADA review effort into the total fee of project.

**Conclusion:**

In summary, DES is happy to work with PHCD on any adjustment needed - they want to start building a healthy and strong relationship together with PHCD. If any members of the Board have any comments or clarifying questions, staff is happy to answer. DES Architects principal architect Mr. Howard Kwok will also be in attendance during the Board meeting should the Board have any specific questions or directives.

**Action Requested:**

Board vote for approval of 2600 El Camino Real allcove-San Mateo proposal to award DES Architects the work of this project as described in the proposal attached.



August 1, 2021  
(December 16, 2021, with minor update)



Cheryl A. Fama, CEO  
Peninsula Health Care District  
1819 Trousdale Dr  
Burlingame, CA 94010

**Project:** Peninsular Health Care District Behavioral Health Center  
2600 El Camino Real, San Mateo, CA  
DES Project Number 10293.001

**Subject:** Professional Services Proposal (SD, DD, CD and CA phases)

Dear Cheryl:

DES Architects + Engineers (DES) is pleased to submit this proposal to provide the project's remaining architectural services beyond the completion of our June 2021 test-fit & programming phase for 2600 El Camino Real 3<sup>rd</sup> level, San Mateo, CA. I have developed this proposal based on my understanding of the project requirements, our test fit solution design communication, emails and on-line meeting discussions.

#### **PROJECT DESCRIPTION**

**General:** This proposal is covering the Schematic Design, Design Development, Construction Document, Permit & Bid and Construction Administration phases of an 8,200 sf suites tenant improvement project at 2600 El Camino Real, 3<sup>rd</sup> level, San Mateo, CA. The centers may house behavioral health provider team and administrative staff. Peninsula Health Care District will be the facility owner and program administrator of this facility to provide care services to the public.

**Project Data:** Based on the information supplied by Cushman & Wakefield plus the solutions developed from our test fit exercise about this Behavioral Health Centers project:

- Peninsula Health Care District is leasing the property at 2600 El Camino Real, 3<sup>rd</sup> level, San Mateo.

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*C:\Users\HKwok\Desktop\PHCD\+210723\_Proposal 2 prep\PHCD\_proposal\_21-1216\_update.doc*

Peninsula Health Care District Behavioral Health Center  
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- Approx. 8,200 sf (Circulation square footage included) area of tenant improvement space on the 3<sup>rd</sup> level that required design and planning services. The design team will continue to improve the design using the test fit solutions and program as a starting point.
- Preliminary overall proposed use of this site is a Behavioral Health Center with Counseling Rooms, Primary Exam Rooms and Administrative Offices. See attached test fit solutions and program options references.

**Design Criteria:** Our design team will work with the PHCD users and YAG team to further develop the design concept of this facility in San Mateo. Based on our June Test Fit solutions and understanding of project budget limitation, the design team primary goal is to provide a code compliant, budget conscious, inspiring solution with efficient visitor and staff flow and functional space.

**Meetings:** During the Design and Construction Document Phases, DES will attend weekly users design meetings and coordination meetings with MEP team and consultants.

The following initial meetings count are based on the assumed schedule in this proposal.

- 6 Design meetings (virtual/in person) in SD phase.
- 12 Design meetings (virtual/in person) from DD to Permitting phase.
- 16 OAC meetings (virtual/in person) during Construction phase.
- 2 Punch walk during end of Construction phase.

Once the project starts construction and during permitting-bidding phases it is our assumption that the General Contractor will then start to manage the weekly on-site meetings and create the meeting minutes.

## PROJECT APPROACH

Primary Goals of Approach:

- Design an environment to help improve the system of youth/young adult's mental health services and supports functions and workflow. Collaborate with PHDC to fully understand the requirements and needs, explore room for improvement and refinement from current test fit solutions.



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- Synchronize Design concepts with PHCD aim of mental health service accessibility barrier removal, and to reduce stigma surrounding mental health by providing an inspiring environment with positive energy.
- The Project result will reflect PHCD Team principles + input from YAG. The Design team will listen to voices from YAG and translate the information into improvement of facility design solution.

## **PROJECT ASSUMPTIONS**

Based on information provided by Cushman and Wakefield team during test fit phase, indicated that this facility is not an OSHPD 3 facility (PHCD please confirm).

PHCD will provide the following information to DES.

1. Confirmed program of project requirements.
  2. AutoCAD/Revit/pdf drawings of as-builts of existing conditions.
  3. Equipment list for design coordination use.
  4. Clinical and Janitorial use Chemical/Gases quantity check list
- Electronic drawing files, record drawings, specifications, and calculations for the existing building and site that are readily available and delivered to DES at the project kick-off meeting. For this building it will be important to have structural and mechanical drawings of this property as reference.

## **SCOPE OF BASIC SERVICES**

The basic services for this project are including the following phases Schematic Design, Design Development, Construction Documents, Bidding and Quotation Phase, and Construction Administration.



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1. DES team will assist the bidding-quotation process by responding to bid RFI questions and provide addendum clarification if needed, but not including bid process set up and management of the process.
2. An allowance budget will be included for any miscellaneous Structural support detailing and calculation needs.
3. Accessibility inspection/survey service is an option, performed by a Certified Access Specialist (CASp) to inspect the existing ADA/Accessibility compliance condition of 2600 El Camino.

The following is a brief outline of the scope, duration, and fee.

#### **Space Planning and Test Fit Phase (NIC)**

**This Phase is completed**  
06/10/21

##### *Scope performed*

- Site observation walks completed on 06/07
- Test Fit design meeting with core team 06/08
- Coordination meeting with YAG group 06/10

##### *Deliverables*

- 2 Test Fit floor plan solutions delivered for review. Dated 06/07
- (Adjustments made 06/11)

#### **Schematic Design Phase**

**4 Weeks**

**\$12,030**

##### *Scope of Services*

- Meet with users to reconfirm and further develop individual space requirements, all facility functions and workflow.
- Discuss project scope with City of San Mateo Building Dept. and Fire Dept. to verify any unforeseen requirements needed attention.
- Deep dive review of PHCD + YAG's vision, integrated the ideas into design solutions.
- Develop "Look and Feel" finish material palette
- Conceptual coordination with MEP team



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- Preparation of Schematic drawing package
- Submit for Landlord approval (if required)
- Preparation of GC Bid Preliminary Design package (if required)
- Meet with PHCD to validate project designed is aligned with budget and practice.

*Deliverables*

- Schematic drawings including cover sheet, lease outline drawing, code analysis, one page site observation report with photos, floor plan layouts, fixture layouts, and summary of square footage by area
- List of open issues to discuss and explore with PHCD team
- Schematic Landlord Approval Set
- GC bid Preliminary Design package for PHCD use

**Design Development Phase**

**4 Weeks**

**\$29,200**

*Scope of Services*

- Preparation of Design Development Drawing Package
- Obtain product data and prepare illustrations for furniture and equipment, define procurement and installation responsibilities
- Illustrate the architectural and decorative nature of the project
- Submittal for Landlord approval (if required)
- Provide backgrounds for MEP and other consultants
- Finalize Project Design and “Look and Feel” finish material palette
- Provide DD progress Design-Bid-Build MEP Bid information for GC use

*Deliverables*

- Design Development drawings including updated schematics, dimensioned floor plans and schedules, dimensioned ceiling plan, power/communication/data plans, interior elevations, finish and material specifications.
- MEP and structural (of required) drawings as provided by consultants
- Meet with PHCD project team to validate project designed is aligned with budget
- Design Development Progress Set for Design-Bid-Build MEP Bid process
- Design Development Landlord Approval Set with color and finish samples





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<b>Construction Documents Phase</b>	<b>8 Weeks</b>	<b>\$44,240</b>
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*Scope of Services*

- Prepare Drawings and specifications for construction permitting, bidding and construction
- Coordination with mechanical, electrical, plumbing, lighting, structural, tele-data, AV and security consultants
- Submit documents for the approval of governmental authorities
- Issue Bid set to participating contractor(s)
- Meet with PHCD's project team to validate project designed is aligned with PHCD's budget

*Deliverables*

- Building permit and bid documents shall include updated Design Development drawings, finish plans and schedules, equipment and casework plans, power and communication plans, hardware specifications, reflected ceiling plans, interior elevations, code compliance graphics, details, site plan and egress plans

<b>Permitting, Bidding and Quotation Phase</b>	<b>6 Weeks</b>	<b>\$18,200</b>
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*Scope of Services*

- Submit Permit Application package for Plan Check
- Participate in the pre-bid meeting
- Respond to questions from prospective contractors and vendors
- Prepare and issue Addenda if required
- Analyze bids and evaluate
- Respond to plan check comments and bid RFI's.
- Setting up and management of Bid process is not part of this proposed service scope

*Deliverables*

- List of recommended contractors
- RFI responses
- Addenda
- Bid analysis and evaluation



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<b>Construction Administration Phase</b>	<b>14 Weeks</b>	<b>\$38,130</b>
	<b>+ 2 Weeks Closeout period</b>	

#### *Scope of Services*

- Participate in the pre-construction meeting
- Interpret the design intent of the drawings and specifications
- Review shop drawings and material submittals
- Review field issues and recommend solutions
- Respond to contractor Requests for Information (RFI's)
- Prepare and issue Supplementary Instructions if required
- Review Change Orders
- Attend periodic job site meetings once per week with the Owner, Architect and Contractor (16 OAC meetings total based on assumed construction schedule in this proposal)
- Certify Contractor's Application for Payment
- Prepare one punch list for the project
- Perform one back check of the punch list
- Issue the Certificate of Substantial Completion
- Prepare an electronic copy of the final construction documents for PHCD's records.
- Prepare record drawings for the project incorporating the field changes made by the contractor from their red marked field set.

#### *Deliverables*

- Reviewed shop drawings and submittals
- Responses to RFI's
- Supplementary Instructions
- Job Site Observation Reports
- Change Orders
- Applications for Payment
- Punch List
- Certificate of Substantial Completion
- Electronic file of the final construction documents
- Electronic file of the Record Drawings



## **OTHER AVAILABLE SERVICES**

The following services are available by DES if needed.

### Structural Engineering

- New roof top equipment support design and engineering
- Building seismic evaluation and engineering upgrade
- New medical equipment support design and engineering
- Exterior design and engineering beyond the tenant improvement space, such as parking garage and common areas required code upgrade work

### Civil Engineering & Landscape Architecture

- Boundary, topographic, and utility surveys
- Planting and Irrigation design

### Interior Design

- CASp – ADA reviewing of existing conditions
- Artwork Consultation
- Furniture and Accessory Selection

### Graphic Design

- Presentation Renderings
- Building and Site Animations
- Signage design



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## **EXCLUSIONS AND CLARIFICATIONS**

The following services are not included in this proposal.

- Cost Estimating
- Waterproofing Consultant
- AV, Data, Telecommunication
- Food Service Consultants
- Geotechnical Engineering
- Roofing Consultant
- Code Consultant
- Planning and plan check facilitator
- Civil Engineering (beyond site accessibility and flood protection design)
- unforeseen additional Structural Engineering
- SWPP
- Dental/Optomety Equipment Planning

## **PROJECT TEAM**

- Principal – Susan Eschweiler
- Senior Architect – Howard Kwok
- Senior Interior Designer – Julie Wellington

## **FEES**

Based on the project description, scope of basic services, and the proposed schedule, DES will provide Architectural professional design services for a T&E fee of **\$141,800** plus Structural engineering assistance allowance of **\$5,000**.

Also included into this proposal are Mechanical, Plumbing and Electrical scope and fee, see attached pages of MEP proposal letter and fees listed below. Accessibility Inspection/Survey work is optional.

Note: See fee breakdown below for additional information.

Reimbursable expenses of **\$7,000** are quoted in addition to these professional services above. Governmental agency fees, models and renderings are not quoted at this time. Reimbursable expenses can include:

- Deliveries
- Printings & Conference calling/remote meetings
- Expenses approved in advance by Peninsula Health Care District for Models and renderings
- Bay Area travel expenses (Out of state long distance calls and travel are not anticipated for this project)

The total contract amount is broken down as follows:

Space Planning and Test Fits (completed 6/10/2021)	Completed
Schematic Design Phase	\$ 12,030
Design Development Phase	\$ 29,200
Construction Documents Phase	\$ 44,240
Bidding and Quotation Phase	\$ 18,200
Construction Administration Phase	\$ 38,130
<b>Subtotal</b>	<b>\$ 141,800</b>
Reimbursable Expenses	\$ 7,000
Misc. Structural Engineering Support Allowance	\$ 5,000
Mechanical and Plumbing Consultants	\$ 28,980
Electrical Consultants	\$ 20,700
<b>Total Contract Amount</b>	<b>\$ 203,480</b>
Optional: Accessibility Inspection/Survey	\$ 2,900

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## TERMS AND CONDITIONS

Basic Services will be provided in accordance with the attached Professional Services Agreement dated December 16, 2021.

Should a change in scope or schedule be requested by Peninsula Health Care District, Inc., an Adjusted Services Agreement will be prepared and submitted to you for approval prior to commencing work on the adjusted services.

DES will require authorization to proceed in the form of a Professional Services Agreement or Notice to Proceed signed by an authorized representative of Peninsula Health Care District, Inc. and returned to DES prior to commencement of work. An email or PDF file is acceptable.

This proposal is valid for 30 days. If you have any questions concerning this proposal or require any additional information, please contact me at 650-364-6453. We are looking forward to working with you on this exciting project!

Sincerely,  
DES Architects + Engineers, Inc.



Howard Kwok  
Project Architect/Manager

Attachments: Professional Service Agreement  
Consultant Proposal

cc: Susan Eschweiler, DES



July 30<sup>th</sup>, 2021  
 (December 16th, 2021- No change)

Howard Kwok  
 DES Architects + Engineers, Inc.  
 399 Bradford Street, Suite 300  
 Redwood City, CA 94063

**Subject: Peninsula Health Care District – Tenant Improvement**

Dear Howard,

Thank you for the opportunity to work with you on the Peninsula Health Care District TI project. This proposal is for mechanical and plumbing engineering and design services related specifically to the further development of the PHCD TI project. Please review the scope below based on the Preliminary Test Fit Diagram dated 06-16-2021.

**Scope of Work**

**Heating Ventilating and Air Conditioning**

1. Attend Design Kickoff Meeting
2. Perform site visits to confirm existing conditions and points of connection
3. Coordinate equipment, ductwork, and other systems that affect other trades.
4. Make detailed drawings to incorporate into a drawing submission
5. Advise team regarding zoning and HVAC requirements based on new floorplan
6. Perform load calculations using CEC approved energy modeling software
7. Specify new HVAC equipment per space requirements
8. Prepare design for new HVAC per space requirements
9. Provide detailed controls drawings and sequence of operations
10. Prepare Construction Documents for Owner review and revised project estimates
11. Respond to Owner's comments
12. Prepare permit drawings
13. Respond to plan check comments
14. Design Scope Deliverables
  - Permitted Construction drawings depicting the full scope of work for HVAC scope

**Mechanical Clarifications and Exclusions**

1. Basis of Design document upon request will be an Add-Alt
2. Specifications upon request will be an Add-Alt
3. Electrical is excluded
4. Structural is excluded
5. Estimated Design Schedule is 6 weeks from backgrounds distribution to permit set per bid schedule (assuming no major changes)

## Plumbing

1. Attend Design Kickoff Meeting
2. Make detailed drawings to incorporate into a drawing submission
3. Specify new piping equipment per space requirements
4. Prepare design for new plumbing/piping per space requirements
5. Prepare Construction Documents for Owner review and revised project estimates
6. Respond to Owner's comments
7. Prepare permit drawings
8. Respond to plan check comments
9. Design Scope Deliverables
  - Permitted Construction drawings that depict the full scope of work for the Plumbing/Piping scope

## Plumbing Clarifications and Exclusions

1. Basis of Design document upon request will be an Add-Alt
2. Specifications upon request will be an Add-Alt
3. Electrical is excluded
4. Structural is excluded

## Discussion Items

- Strategies and technology for pandemic mitigation, such as:
  - Increased Ventilation and Filtration
  - UV-C sterilization
    - System in Air Conditioning Unit
    - At ceiling level integrated with supply diffusers
    - Wall and ceiling hung units with fans
  - Ion Technology
- Touchless fixtures to minimum high touch zones
- Mechanical design to support patient privacy

If you have any further questions please feel free to call.

Sincerely,



Richard Lam, PE





(December 16th, 2021- No change)

**PROJECT DESCRIPTION:**

Provide electrical engineering services for the remodel of an existing building on the third floor at 2600 El Camino Real, San Mateo CA. The design shall be for 8,200 sf tenant improvement that includes: Exam Rooms, Shared Work Areas, Counseling Pods/Rooms, Conference Rooms, Call Rooms, Restrooms, Admin/Reception Area, Kitchen, Break and Storage areas. We will provide services to include new luminaire layout and circuiting to comply with 2019 Title 24 for Lighting, as well as provide new power device layout and circuiting to comply with 2019 Title 24 for Power.

**CLARIFICATIONS AND ASSUMPTIONS**

- 1) The existing electrical infrastructure is sufficient to accommodate these renovations.
- 2) Existing facility as built/record drawings will be made available to the design team.
- 3) The Owner shall have the ability or be responsible for hiring an electrical contractor to perform meter readings.
- 4) The Owner shall have the ability or be responsible for hiring an electrical contractor to verify connections to devices, panels, equipment and/or feeder to panels for items that cannot be verified during site visit or if items conflict with as built/record drawings. A list of items will be provided to Owner after initial site visit and review of as-built drawings.
- 5) The assumed design schedule shall be as follows from date of authorization:
  - a) Schematic Design: [4] Weeks.
  - b) Design Development: [4] Weeks.
  - c) Construction Documents: [4] Weeks.
  - d) Construction Administration: [16] Weeks.
- 6) Existing electrical panels with existing loads shall not be modified to comply with disaggregation of electrical loads per current Title 24 energy code. Only new loads shall be disaggregated.
- 7) Permit fees, application fees, etc. are not included.

**SERVICES INCLUDED:**

Design/Modifications to the following:

- 1) Interior lighting and controls.
- 2) Receptacle layout and circuiting.
- 3) Power to mechanical and plumbing equipment.
- 4) Power to equipment furnished by others.
- 5) Title 24 Compliance (NRCC) forms.
- 6) Empty conduit, junction boxes, and pathways back to MDF/IDF rooms for data system.
- 7) Nurse/Visual call layout only. Shop drawings to be provided by Electrical Contractor.

**SERVICES NOT INCLUDED:**

- 1) Site lighting and controls.
- 2) Title 24 Installation (NRCI) forms. These are to be completed by the Electrical Contractor.
- 3) Title 24 Acceptance (NRCA) forms. These are to be completed by a Certified Technician.

- 4) Centralized Uninterruptible Power System Design.
- 5) LEED Certification.
- 6) Energy Modeling.
- 7) Empty conduit, junction boxes, and pathways for audio-visual (A/V) system.
- 8) Intercom system layout or full design.
- 9) Public Address system design/modifications.
- 10) White noise system design.
- 11) Fire alarm design or layout.
- 12) Other electrical and low voltage systems not included above.
- 13) Short circuit analysis, Protective device coordination, and Arc flash studies and analyses of the electrical power distribution are not included.
- 14) Data system network design.
- 15) Value engineering services.
- 16) Cost estimating services.
- 17) Electrical testing services.
- 18) Commissioning services.
- 19) Design of temporary services for Contractors' uses.
- 20) Change order preparation services beyond scope of work and included services.
- 21) Meetings beyond those included in services.
- 22) Design and engineering of Mechanical and Plumbing Control Systems.
- 23) Design and engineering of Building Management Systems (BMS) and Energy Management Systems (EMS). This exempts incorporation of wiring, conduit, or infrastructure requirement for this system.
- 24) Emergency Responder Radio Coverage System (ERRCS) Design.
- 25) Photovoltaic system design.
- 26) Electric Vehicle Charging system design.
- 27) Security system design by others. This exempts incorporation of wiring, conduit, or infrastructure requirement for their system.

#### **SCOPE OF SERVICES AND DELIVERABLES:**

##### *SCHEMATIC DESIGN PHASE:*

- 1) [1] Site visit to confirm existing conditions.
- 2) Identify and submit panel(s) that may require meter recordings.
- 3) Provide floor plans with existing and preliminary locations and sizes of electrical and low voltage equipment.
- 4) Provide a preliminary one-line diagram.
- 5) Provide schematic design drawings in PDF format.
- 6) Anticipate [1] meeting(s) with the design team and Owner's representative.

*DESIGN DEVELOPMENT PHASE:*

- 1) Provide existing and proposed electrical and low voltage equipment.
- 2) Provide a proposed floor plan indicating the locations of:
  - a) Panelboards, terminals, and closets.
- 3) Provide a proposed lighting layout indicating:
  - a) Types of luminaires, lamp source, and quantity of lamps luminaire.
  - b) Luminaires on emergency power source.
  - c) Identify interior luminaire locations on plans.
- 4) Provide a proposed layout of all electrical and low voltage system devices.
- 5) Provide updated one-line diagram.
- 6) Provide outline specifications.
- 7) Provide design development drawings in PDF format.
- 8) Anticipate [1] meeting(s) with the design team and Owner's representative.

*CONSTRUCTION DOCUMENTS PHASE:*

- 1) Provide electrical details to Architect/Structural/Civil Engineer for review.
- 2) Finalize demolition and new electrical plans, indicating complete:
  - a) Luminaire layout with switching.
  - b) Title 24 documentation.
  - c) Power plan(s) complete and coordinated with all equipment.
  - d) Electrical circuiting complete.
  - e) Coordination of electrical equipment rooms.
  - f) Coordination of all low voltage devices including:
    - i) Fire Alarm.
    - ii) Tele/Data.
    - iii) Nurse/Visual Call System.
  - g) Coordination with Architect, Mechanical, Plumbing, Structural.
- 3) Finalize schedules and legends.
- 4) Finalize electrical equipment and low voltage room layouts.
- 5) Finalize one-line diagrams.
- 6) Finalize electrical load calculations and equipment sizing.
- 7) Finalize specifications.
- 8) Complete all required forms for agency review submittal.
- 9) Anticipate [1] meeting with the design team.
- 10) Submit 100% construction document drawings. Confirm with Architect/Client on milestone deliveries.
- 11) Respond to plan review comments.
- 12) Coordinate with design team for additional comments.

*CONSTRUCTION ADMINISTRATION PHASE:*

- 1) Review of electrical submittals and shop drawings.
- 2) Respond to electrical contractor's request for information.
- 3) Perform [1] final punch walk and prepare an electrical site observation report.
- 4) Submit Record Document from Contractor supplied "Red" lined mark-ups.

Optional: Accessibility Inspection/Survey ■

July 29, 2021

(December 16th, 2021- No change)

Project: Peninsula HealthCare District  
2600 El Camino Real 3rd level, San Mateo 94403

Accessibility Compliance Services

**Accessibility Compliance****DES****\$2,900***Scope of Services includes:*

- Existing exterior and interior site survey:
  - Perform a field measurement survey of the following areas:
    - Path of travel from pedestrian right of way to the new area of alteration (level 3)
    - Path of travel from pedestrian right of way to the existing building main entrance
    - Path of travel from accessible vehicular access (accessible parking) to the new area of alteration (level 3)
    - Accessible parking stalls and their signage for the building
    - Walkways, curb ramps, signage, misc. obstruction within the path of travel to the new area of alteration
    - (2) restrooms on level 3
    - Accessible means of egress doors from level 3
  - Perform both State and Federal code review and research
  - Provide a compliance report indicating non-compliant elements and offer options to remedy existing issues
- Schematic Design through Construction Document:
  - Perform code review and research
  - Coordinate with Architect's team on accessibility-related issues
  - Review drawings, products and implement accessibility compliance within the team's plans and construction details
- Permitting:
  - Respond to City plan check comments
  - Perform code review and research
- Construction Administration:
  - Perform code review and research
  - Review contractor submittals for products compliance with permit drawings.
  - Respond to RFIs and submittals as required by GC and coordinate with the Architect's team.

**ADDITIONAL SERVICES:**

- Punch walks
- Post-construction accessibility survey for new scope of work areas
- Post-construction accessibility survey for corrected items from the existing conditions



*Peninsula HealthCare District  
Accessibility Services  
Professional Services Proposal  
July 29, 2021  
Page 2 of 2*

**FEES SUMMARY**

Site survey and report	\$ 1,595 (11 hrs)
Schematic Design – Construction Documents	\$ 725 (5 hrs)
Permitting Coordination	\$290 (2 hrs)
Construction Administration	\$ 290 (2 hrs)
<b>Subtotal</b>	<b>\$ 2,900</b>

Sincerely,

Yousif Yousif  
Architect, CASp, Fitwel Ambassador

## PROFESSIONAL SERVICES AGREEMENT ■

August 1, 2021 (December 16th, 2021- No change)

Cheryl Fama  
 Peninsula Health Care District  
 1600 Trousdale Dr.  
 Burlingame, CA 94010



Project Name:	PENINH-TI 2600 El Camino Real, 3rd level, San Mateo, CA		
DES Project No:	10293.001		
DES Project Executive:	Susan M. Eschweiler		
DES Project Manager:	Howard D. Kwok		
Scope of Services:	As described in our Proposal letter dated (December 16, 2021- Update)		
Fee Summary	DES Labor	T & E	\$141,800
	Reimbursable Consultant Labor		\$54,680
	<hr/>		
	Total Labor		\$196,480
	Reimbursable Expense Allowance		\$7,000
	<b>Total Contract Amount</b>		<b>\$203,480</b>

The attached Schedule of Charges, Terms and Conditions, dated January 1, 2021, apply to this Service Agreement. Please sign and return two hardcopy originals or one PDF to DES. DES will then sign and return one fully executed version of this agreement to you for your files.

DES Architects + Engineers, Inc.

Peninsula Health Care District

\_\_\_\_\_  
 Susan M. Eschweiler                      Date  
 Project Executive  
 California License No.    12751

\_\_\_\_\_  
 Cheryl Fama                                      Date  
 CEO

Attachment(s): Proposal Letter

*Architects are licensed and regulated by the California Architects Board  
 located at 2420 Del Paso Road, Suite 105, Sacramento, CA 95834.*

## SCHEDULE OF CHARGES, TERMS AND CONDITIONS

### SCHEDULE OF CHARGES

#### Personnel Charges:

Services performed under lump sum contracts will be charged at the agreed upon lump sum amount. Time and expense contracts will be billed at an hourly rate as follows:

General:	Hourly Billing Rate
Project Executive	\$225 - \$250
Associate Principal	\$225
Project Manager	\$165 - \$190
Sustainability Coordinator	\$140
Project Administrator	\$125 - \$135
<b>Architecture, Design, Landscape and Interiors:</b>	
Project Designer	\$145 - \$190
Project Architect	\$155
Job Captain	\$140
Designer	\$125
Detailer/Drafter	\$125
<b>Civil and Structural Engineering:</b>	
Project Engineer	\$160 - \$180
Engineer	\$145
Engineering Designer	\$130
Detailer/Drafter	\$130

#### Reimbursable Charges:

The following charges are in addition to personnel charges:

B/W copies & prints (8 ½ x 11, 8 ½ x 14)	\$0.20
B/W copies & prints (11 x 17)	\$0.50
B/W copies & prints (less than 24 x 36)	\$3.00
B/W copies & prints (24 x 36 and larger)	\$5.00
Color copies & prints (8 ½ x 11, 8 ½ x 14)	\$1.00
Color copies & prints (11 x 17)	\$2.00
Color copies & prints (less than 24 x 36)	\$20.00
Color copies & prints (24 x 36 and larger)	\$30.00 - \$50.00
Additional charge for mounting	\$35.00
In-house delivery service, excluding mileage	\$50.00
Travel (mileage) charges per mile	\$0.67
Drone Aerial Flight (per minute)	\$100.00

Charges for all outside consultant and project expenses are billed on the basis of cost plus 20%. The rates shown above are reviewed annually and reissued January 1<sup>st</sup> of each year. Unless other arrangements have been made, charges to all projects, including those continuing from the previous year, will be based on the latest schedule of charges.

### TERMS AND CONDITIONS

#### Contract:

Reference to this "Schedule of Charges, Terms and Conditions" sheet by a Service Agreement or other written agreement that is executed by an authorized representative of both DES Architects + Engineers ("DES") and the client ("Client") will bind each party to the terms and conditions as set forth on this sheet unless modified in writing and agreed to by both parties. The referencing document and this sheet shall be considered to be the entire agreement ("Agreement"). If Client is a corporation, the individual or individuals who contract with DES on behalf of Client warrant that they are duly authorized agents of Client and are empowered to so contract.

#### Scope of Work and Additional Services:

The document that references this portion of the Agreement shall include the scope of work, schedule and fees (if fees are other than time and expense.) No services shall be performed by DES unless they are included in the scope or identified as additional services to Client and appropriate fees are agreed to in advance in writing. Parties agree email is an acceptable form of authorization for additional services.

#### Terms of Payment:

DES will prepare invoices monthly and they will be due and payable when rendered to Client. Any dispute over charges must be claimed in writing within twenty (20) days of being rendered to Client. A service charge equal to one percent (1%) per month from the billing date will be added to any invoice which remains unpaid for more than thirty (30) days from the billing date. Should any portion of any invoice remain unpaid for ninety (90) days from the billing date, DES may at its option stop all work and withhold delivery of any work product.

#### Schedule:

DES will diligently proceed with the work, however DES shall not be held responsible for delays occasioned by factors beyond its control, agency approval times nor by factors which could not be reasonably foreseen at the time of execution of this Agreement.

#### Termination and Re-start:

In the event that Client requests termination of the services prior to completion of stated scope, DES shall be paid for actual time up to the point of termination plus 10% of remaining contract amount to compensate for rescheduling of personnel. After any such termination (or stoppage of work due to non-payment as described above) DES and/or Client shall not be obligated to re-start or complete any work under this Agreement.

#### Job Site Safety:

DES shall not be responsible for safety on the jobsite by contractors and third parties and shall have no authority to direct the contractor or sub-contractors. If construction administration is within the stated scope of work, DES shall observe the general progress of the work and report such observations to Client.

#### Litigation:

If suit is initiated to collect any sum due, Client shall be liable for such sums as the court may adjudge reasonable for attorney's fees and other costs of such suit. It is expressly agreed that the venue for any such suit shall be the court of appropriate jurisdiction located within the County of San Mateo, State of California.

#### Limitation of Liability:

In recognition of the relative risks and benefits of the project to both Client and DES, Client agrees to limit the liability of DES, and its officers, employees and subconsultants to Client and to all construction contractors and subcontractors on the project arising from DES services on this project, such that the total aggregate liability to all those named shall not exceed the greater of \$50,000.00 or the total fee for the services rendered under this Agreement, however in no case shall it exceed \$1,000,000.00. Client further agrees to require of his contractors and their subcontractors an identical limitation of liability for DES's professional acts, errors, or omissions. The fees quoted and agreed to by both parties of this Agreement are in light of these limitations and any increase in DES's liability from what is stated herein shall be specifically negotiated and established in writing.

#### Hazardous Waste Clause:

In seeking the professional services of DES, Client may be requesting DES to undertake uninsurable obligations for Client's benefit involving the presence or potential presence of hazardous substances. Therefore, for services related in any way to hazardous substances, as defined by the EPA or any other public authority, Client agrees to hold harmless, indemnify, and defend DES, its consultants, and employees, from and against any and all claims, losses, damages, liability, and costs, including, but not limited to reasonable attorney's fees, arising out of or resulting from the performance of work by DES, or its consultants, related in any way to the presence of hazardous substances, except where such liability is the result of finding by a court of competent jurisdiction of sole negligence or willful misconduct on the part of DES in the performance of services under this Agreement.





RECEIVED

DEC 14 2021

BY: vy**Board of Directors****Officers**

Matt Miller

*Board Chair Emeritus*

Ken Jones

*Chairman*

Wendy Suhr

*Vice-Chair*

Chenxing Ferensen

*Treasurer*

Deborah Frederick, M.D.

*Secretary*

John Bruno

Terry Dollard

Beth Gregg

Mark Hazelwood

Claudia Jung

Scott E. Miller

Tanya Peterson

Phillip Shamlian

December 8, 2021

Ms. Cheryl Fama  
 CEO, Peninsula Health Care District  
 1819 Trousdale Driv  
 Burlingame, CA 94010

Dear Ms. Fama:

Earlier today, I sent a letter addressed to Ms. Janet Wagner, CEO of the Mills-Peninsula Medical Center. Attached is a copy of that letter so you are aware of what was sent to Ms. Wagner. Please let me know if you have any questions or if I can assist in any way with the potential reopening of the Mickelson Pool.

**Directors Emeritus**

Hon. Raymond J. Arata, Jr.

David F. Elgart

**Chief Executive Officer**

David Dubinsky

Sincerely,

David Dubinsky, CEO



Accredited  
 Employment  
 Services

Contributions are tax-deductible,  
 Federal ID#94-1394025.  
 The Center is a  
 Non-profit organization  
 chartered by the  
 The state of California.

**Board of Directors**

December 8, 2021

**Officers**

Matt Miller

*Board Chair Emeritus*

Ms. Janet Wagner

CEO Sutter Health Mills-Peninsula

Mills-Peninsula Medical Center

1501 Trousdale Drive

Burlingame, CA 94010

Ken Jones

*Chairman*

Wendy Suhr

*Vice-Chair*

Chenxing Ferensen

*Treasurer*

Dear Janet:

Deborah Frederick, M.D.

*Secretary*

I am writing in response to the letter you sent to me on November 3, 2021 in which you stated that the Mickelson pool is not able to be open due to its designation as a healthcare facility.

John Bruno

Terry Dollard

Beth Gregg

Mark Hazelwood

Claudia Jung

Scott E. Miller

Tanya Peterson

Phillip Shamlian

I want to let you know that the Herbst Pool, here at the Pomeroy Recreation and Rehabilitation Center is also located in what is traditionally deemed as a healthcare setting as well. In fact, the main reason we spent so much time preparing to open last spring is because our warm water therapy is so vital to the health and well being of the people that we serve.

**Directors Emeritus**

Hon. Raymond J. Arata, Jr.

David F. Elgart

The main obstacles for us to open were setting up the locker rooms with large scale air purifiers (which are portable and effective) so that we could make sure our air exchange rates met healthcare standards and to expand dressing areas to allow our pool users to have options for changing clothes, etc. to increase the social distancing needed to help everyone stay safe.

**Chief Executive Officer**

David Dubinsky

Of course we also had to up the cleaning schedules, add hand sanitizers to additional areas, and to make sure that we have a robust system to ensure all who enter the pool area are vaccinated against Covid-19. All of these measures do add some cost, but in reality, we have been able to continue to operate (though at a slightly lower margin). Our main obstacle since we opened and which we are still contending with, is being able to staff the pool with enough lifeguards, but the staff we were able to keep on during the main closure have been very loyal to us as a result of us being loyal to them so at least we have been able to maintain our core employment.



Accredited  
Employment  
Services

Contributions are tax-deductible,  
Federal ID#94-1394025.

The Center is a  
Non-profit organization  
chartered by the  
The state of California.

Again, if there is any way we can help you and your staff develop an operating strategy that would allow you to reopen the Mickelson Pool, we are glad to help in any way we can.

Best regards and happy holidays!

David Dubinsky

CEO

LAW OFFICES

LOS ANGELES

COTCHETT, PITRE & MCCARTHY, LLP  
SAN FRANCISCO AIRPORT OFFICE CENTER  
840 MALCOLM ROAD  
BURLINGAME, CALIFORNIA 94010  
TELEPHONE (650) 697-6000  
FACSIMILE (650) 697-0577  
www.cpmlegal.com

NEW YORK

December 9, 2021

**Cheryl Fama, CEO**  
**Peninsula Health Care District**  
1819 Trousdale Drive  
Burlingame, CA 94010

**Re: Mickelson Therapy Pool Closure**

**Dear Ms. Fama and PHCD Board of Directors,**

For nearly a year, PHCD has fielded concerns over Sutter Health's unilateral decision to close the Mack E. Mickelson Therapy Pool in San Mateo. Over the past several months, Janet Wagner, the CEO of Sutter Health Mill-Peninsula, has provided – and continues to provide – shifting explanations for why Sutter is closing a therapeutic resource that is vital to the health and wellbeing of the Peninsula's current and future mobility impaired residents. Unfortunately, PHCD has *failed* to act on behalf of those residents in medical need of a local therapy pool.

As PHCD is aware, the community at large views the Mickelson Pool as a vital resource for its current and future mobility impaired residents in the San Mateo area. Many residents across the Peninsula vocally oppose the Sutter's decision to close it as they have NO appropriate pool to use for medical purposes. Currently, over **4,000 individuals** – very many of whom live in the PHCD district – have signed a petition protesting Sutter's decision to permanently close the pool. (*Exh. 1: Petition*). Indeed, Mayors and Councilmembers of cities throughout the Peninsula, medical professionals, former patients, and community members who used the therapy pool have written letters to Ms. Wagner regarding Sutter's closure of the pool – most without the courtesy of a response. (*Ex. 2: Community Letters*).

Sutter – through Ms. Wagner – continues to proffer shifting explanations for closing the Mickelson Pool. We are told that Sutter claimed that the closure would be temporary, although pool employees represent that in January 2021, Ms. Wagner informed them the closure was permanent. Sutter did not announce the permanent closure until June 2021.

We are also informed that Ms. Wagner claimed the pool was closing for “financial reasons,” and that an estimated \$250,000.00 repair bill and future operating costs were not economically feasible. But in April 2021, PHCD received an independent financial report of Sutter’s operations. (*Exh. 3: the G.L. Hicks Report.*) This report appears to show that, despite the COVID-19 pandemic, Sutter Corporate – the parent company of Sutter Mills-Peninsula – has approximately **\$6 billion** in retained funds. It also appears to show that Sutter Mills-Peninsula, one of 30 affiliated hospitals, generated approximately **26% of those reserves**, or about **\$1.5 billion in retained funds**. Further, we are informed that Sutter Health received **\$850 million** of federal CARES Act funds for the purpose of continuing operations – all out of public tax dollars.

When asked about the discrepancy between Sutter’s financial health and the cost of repairing the pool in July 2021, Ms. Wagner apparently offered a different explanation. This explanation, we are told, was that Sutter Health Corporate made the decision to close all three of its therapy pools. We are also told that Ms. Wagner has not attended a PHCD meeting since being asked about the pool in July.

Today, Sutter, through Ms. Wagner, offers yet another explanation. In advance of this meeting, submitted a letter to PHCD regarding the closure of the Mickelson Pool. (*Exh. 4: Wagner Letter dated 10/28/2021.*) In this letter, Ms. Wagner claims that Sutter is closing the pool because of “legal and regulatory requirements” related to COVID-19 protocols for healthcare therapy pools. This explanation simply does not hold water – as a pool does.

Comparable therapy pools in the bay area continue to operate despite any requirements related to COVID-19. Pomeroy Recreation & Rehabilitation Center in San Francisco represents that the number of individuals using their facility has increased since Sutter closed two of its therapy pools, including Mickelson. But Pomeroy also represents that they not only re-opened and comply with the City of San Francisco’s public health restrictions, but that there are **zero instances of COVID-19 transmission attributed to their facility**. (*Exh. 5: Letters from David Dubinsky.*)

Without intervention, the Mickelson Pool appears destined to be just another chapter in Sutter’s pattern of misfeasance in favor of its bottom line. In 2021 alone, this pattern included multiple lawsuits totaling hundreds of millions of dollars to be paid in penalties, and one which subjected Sutter to a court-appointed monitor for 10 years. In addition, Sutter has closed multiple programs in San

Mateo County upon which elderly residents and residents with disabilities relied, causing PHCD to replace or reinstate those same programs. Yet Sutter continues to enjoy billions of dollars of revenue despite their obligation to provide healthcare services.

At a minimum, PHCD should hold Sutter to answer for its ever-changing explanations for closing the Mickelson Pool and unilateral revocation of a therapeutic service that your constituents and our elderly citizens depend on. PHCD must hold Sutter to answer. Despite the fact that PHCD has held Sutter's financial report for over six months – no questions have been asked of Sutter by PHCD. Despite receiving shifting explanations for the closure – no investigation has begun. This Board has a responsibility to defend the rights of every man, woman, and child who lives in the PHCD district to quality healthcare. This includes the mobility impaired and those who will become mobility impaired.

PHCD's failure to act falls well below its duties to the citizens it purports to represent, and action must be taken **immediately**. Failure to act will be turning your back on those who need medical assistance in our community.

Sincerely,



JOSEPH W. COTCHETT

**Enclosures**

**cc: Lawrence W. Cappel, Ph.D, Chair, Peninsula Health Care District  
Helen C. Galligan, R.N., Vice-Chair, Peninsula Health Care District  
Rick Navarro, M.D., Director, Peninsula Health Care District  
Frank R. Pagliaro, Esq., Secretary, Peninsula Health Care District  
Dennis Zell, Esq., Director, Peninsula Health Care District  
Hon. Jackie Speier, Congresswoman  
Hon. Kevin Mullin, Assemblymember  
Hon. Josh Becker, Senator  
Hon. Dave Pine, San Mateo County Board of Supervisors  
Hon. Carole Groom, San Mateo County Board of Supervisors  
Hon. Don Horsley, San Mateo County Board of Supervisors  
Hon. Warren Slocum, San Mateo County Board of Supervisors  
Hon. David Canepa, San Mateo County Board of Supervisors**

**VIA EMAIL**

December 16, 2021

Joseph W. Cotchett  
 Cotchett, Pitre & McCarthy, LLP  
 San Francisco Airport Office Center  
 840 Malcolm Road, Burlingame, CA 94010

Dear Mr. Cotchett,

Your December 9<sup>th</sup> letter and exhibits addressed to me concerning Sutter's Mickelson Pool closure were hand-delivered to the District's office at the start of the Board's public meeting last Thursday. Since that item was not on the agenda, receipt of the packet was acknowledged, but the Brown Act prevented the Board from directly addressing the allegations in the letter. I write now to respond.

Your statement that *"PHCD has failed to act on behalf of those residents in medical need of a local therapy pool"* is both factually incorrect and disappointingly misleading. Worse, the letter's threatening tone fosters an adversarial relationship between the District's Board and the pool users when they should be working together.

Sutter's decision to close the only warm water therapy pool in the entire county impacts all residents of the county and should be addressed by county health and civic leaders including the Board of Supervisors and San Mateo County Health Department.

Sutter Health is a private, non-profit healthcare system that owns and operates the Mills-Peninsula Medical Center – both the Burlingame and Mills campuses. The Master Lease Agreement between Sutter Health and PHCD does not give PHCD authority over Sutter's business and operating decisions. Sutter's decision to close the pool does not constitute a default under the Master Lease. The Health Care District Law, Health and Safety Code Sections 32000 et seq., does not give districts direct authority over health care providers. Consequently, PHCD has no legal authority to force Sutter to reopen the pool.

PHCD leaders are concerned about the closure as evidenced by the Board's direct communications to hospital CEO Janet Wagner and comments made at each PHCD public Board meeting since June 2021. In addition, we have met with Ms. Wagner to discuss the closure and alternatives. In September, the Board directed staff to research what it would take to reopen the Mickelson Pool, the availability of alternative facilities, and whether there are any potential sites for a new pool.

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**Phone** 650.697.6900 **Fax** 650.652.9374 [www.peninsulahealthcaredistrict.org](http://www.peninsulahealthcaredistrict.org)

**SAN BRUNO MILLBRAE BURLINGAME SAN MATEO HILLSBOROUGH FOSTER CITY**

At the November 4<sup>th</sup> public Board meeting a detailed report was presented on that research:

- We are estimating the cost to repair and reopen the Mickelson Pool at approximately \$250K
- The pools in San Mateo County offered by Sutter/MPMC as alternatives have limited therapeutic benefits that cannot address most needs of those previously served by the Mickelson Pool.
- The Pomeroy Rehabilitation Center is a non-profit center that does have therapy services and ADA-compliant support spaces for patients and their care givers, serves all ages, has limited hours for therapies like those needed by the Mickelson Pool patients, and is in the southwest corner of San Francisco making travel inconvenient. Hearing that, PHCD confirmed Redi Wheels would transport San Mateo County residents to this facility.
- The Timpany Center is a non-profit therapeutic center that serves the south bay communities through a partnership between San Jose State University Research Foundation and Santa Clara County. They offer aqua fitness as well as land fitness with adaptable machines. However, it is about 30 miles from the Mickelson Pool location.
- Sutter/MPMC is not willing to reopen the pool under any circumstances; Sutter has closed all its therapy pools according to CEO Wagner
- Funding the pool repairs is not the issue. MPMC program priorities, infection disease issues, and operating costs are the expressed chief concerns. PHCD offered to explore funding some of the cost to reopen the pool, but Sutter was not interested.
- Sutter/MPMC is not willing to sublease the pool area to another program operator.
- San Bruno has an “aqua center” indoor pool in its new recreation center plan and Millbrae is considering a pool area adjacent to its new recreation center. Both may have the potential to provide therapeutic services but that would need to be explored and, if determined to be a possibility, completion would be years in the future.

In summary, the PHCD Board members have listened carefully and sympathetically to the concerns voiced by users of the Mickelson Pool. We have researched short- and long-term options for replacing the pool. We have offered to assist with funding repairs to preserve this important healthcare resource. If there are other practical measures that PHCD could take to assist the District residents who were using the pool, the Board will consider them. With this background, it is simply wrong to suggest that PHCD has failed in its duties as a health care district or that it has not been serving its residents within the limits of its legal authority.

Your letter also includes an inaccurate history of the District’s response to Sutter’s closure of other programs, thereby creating false expectations of what the District might be able to do in this instance.

In the past ten years, Sutter has closed two inpatient programs (Pediatrics and Acute Rehab) and two outpatient programs (Cardiac Rehab and Senior Focus) and has transitioned two programs to new owners (Dialysis and Peninsula Sub-Acute). PHCD has not “replaced or reinstated” any of these as you suggested.

Instead, we have assessed the impact, explored alternatives, and made recommendations to reduce the impact on our residents’ health. Our PHCD Health & Fitness Center is an outcome of this process.

We researched the need and alternatives, convened a Senior Advisory Group, and within six months of Sutter's announced closing of its Cardiac Rehab Program, the PHCD team refurbished and repurposed the district-owned property that had been leased by Sutter for that program and launched exercise, educational, and socialization programs so important to health. It did not replace Sutter's Cardiac Rehab program.

The PHCD Board has been very clear with CEO Wagner about the poor quality of communications between MPMC/Sutter and PHCD and our displeasure at the sudden program closures without community input or PHCD Board notification. Sutter/MPMC's ever-increasing focus is on cutting edge technology over prevention, rehab, and the quality of life of its patients after receiving acute care services.

We will continue to pursue options, but the reality is there is no immediate solution that PHCD or any other entity could make happen – except Sutter. Any new pool should be positioned to serve all county residents. Accordingly, this effort should be led by countywide civic and health leaders.

The District Board and staff will not turn our backs on the pool residents, but we will not promise them anything that we cannot deliver. We will work with community partners on practical solutions to the problems created by Sutter's decision.

Given PHCD's work to date and the reality of the situation, to state *"PHCD's failure to act falls well below its duties to the citizens it purports to represent"* is factually and legally incorrect. If you have suggestions on other steps we could be taking, please forward them to me for distribution to the Board.

Sincerely,



Cheryl A. Fama  
PHCD Chief Executive Officer

Cc: PHCD Board of Directors

Hon. Jackie Speier, Congresswoman  
Hon. Josh Becker, Senator  
Hon. Kevin Mullin, Assemblymember  
Hon. Dave Pine, San Mateo County Supervisor  
Hon. Carole Groom, San Mateo County Supervisor  
Hon. David Canepa, San Mateo County Supervisor  
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Hon. Warren Slocum, San Mateo County Supervisor  
Lindsay Raike, STOMP Board of Directors



[https://www.smdailyjournal.com/news/local/calls-grow-to-save-the-mickelson-pool-in-san-mateo/article\\_3876193c-5ef5-11ec-a89d-3304e3839431.html](https://www.smdailyjournal.com/news/local/calls-grow-to-save-the-mickelson-pool-in-san-mateo/article_3876193c-5ef5-11ec-a89d-3304e3839431.html)

FEATURED

From the Daily Journal archives

# Calls grow to save the Mickelson pool in San Mateo

State, county representatives add voices

By Curtis Driscoll Daily Journal staff

Dec 17, 2021



Calls to reopen the Mickelson pool in San Mateo are growing, with Assembly Speaker pro Tem Kevin Mullin and David Canepa, president of the San Mateo County Board of Supervisors, the latest to urge Sutter Health to reopen the beloved community pool.

“I just think a permanent closure is unacceptable, and I don’t think it has to happen when I believe the resources are there,” Mullin, D-South San Francisco, said. “A permanent closure is unnecessary.”

“I urge you to explore possible solutions to keep the pool open. Advocates have identified potential private donors to help defray the costs associated with reopening the pool, which should be a remedy to be considered,” Canepa said in a Dec. 14 letter to Sutter Health executives.

Sutter Health announced the permanent closure of the Mickelson Arthritis and Rehabilitation Center in June after its original closure in March 2020 due to the pandemic. Located at 75 S. El Camino Real in downtown San Mateo at Mills Health Center, it is the only pool in the county that caters for seniors, people with chronic pain or disabilities and rehabbing surgery patients through warm water therapy techniques. The pool has a ramp that descends into the pool, a hoist and wall space at various depths not available elsewhere in the county. Community members were shocked and angry following the closure announcement. Several users started a grassroots

protest and movement to stop its closure, asking Sutter Health to work with them and convincing others to take up the cause. County and state policymakers are taking notice and demanding action from Sutter Health.

Mullin wants to meet with executives at Sutter Health and the Peninsula Health Care District and community stakeholders to discuss permanently reopening the pool. He is also committed to finding solutions to potential funding issues for its reopening. Mullin noted Sutter Health is a very profitable private company that takes public money as well through the federal CARES Act. Mullin said that the Peninsula Health Care District also has funding available and oversight responsibility of the Mickelson pool. He will look for financial opportunities to help at the state level but believes resources exist currently without state intervention. Given the number of people with special needs, chronic pain and rehabbers who use the site, he is convinced its reopening should be a priority for Sutter Health.

“I just believe the resources are there if this if given the proper prioritization in terms of a reopening,” Mullin said.

The situation also prompted Burlingame attorney Joe Cotchett to suggest this week he may pursue legal action after calling for a meeting and answers to his questions. He has his Burlingame-based firm, Cotchett, Pitre & McCarthy, working pro bono with pool users and community members following their requests for help.

Mullin called the shifting reasoning and explanations for the pool’s closure troubling. Mills-Peninsula Medical Center CEO Janet Wagner said in an October letter to the Peninsula Health Care District that it considers the pool “permanently closed at this time.” Wagner cited the pandemic, COVID-19 exposure, and the indoor facility’s lack of ventilation and dehumidifiers. Sutter Health has also spoken previously about focusing on providing quality acute care resources and manning its financial resources. Mullin understood the concern about COVID-19 but said there would be a day when the

pandemic ends and Sutter must reopen the pool. Pomeroy Recreation & Rehabilitation Center in San Francisco, a comparable therapy pool, recently reopened and has met San Francisco's public health restrictions.

"I understand the COVID aspect of this for the initial closure, but I don't think COVID should be a reason for permanent closure if there are protocols put into place and appropriate upgrades made to the facility," Mullin said.

Mullin wants to set up a meeting with Wagner and Peninsula Health Care District CEO Cheryl Fama as soon as possible to discuss options and respond to the community. He wants community members to be part of the meeting for constructive conversations. Users fighting to save the pool have said that it has been hard to meet and get answers from Wagner about the pool. Both the district and the medical center did not respond to a request for comment.

"I am confident that I will be able to set up a meeting with Janet Wagner and Cheryl Fama and put us all in the same room to see how we can chart a path forward," Mullin said.

[curtis@smdailyjournal.com](mailto:curtis@smdailyjournal.com)

(650) 344-5200 ext. 102



#### MORE INFORMATION

Save the Mickelson pool

Shame on Sutter

LOS ANGELES

LAW OFFICES  
 COTCHETT, PITRE & MCCARTHY, LLP  
 SAN FRANCISCO AIRPORT OFFICE CENTER  
 840 MALCOLM ROAD  
 BURLINGAME, CALIFORNIA 94010  
 TELEPHONE (650) 697-6000  
 FACSIMILE (650) 697-0577  
 www.cpmlegal.com

NEW YORK

December 28, 2021

*Via Email and Mail*

**Cheryl Fama**  
 CEO, Peninsula Health Care District  
 1819 Trousdale Drive  
 Burlingame, CA 94010

**Re: SUTTER / MICKELSON POOL**

**Dear Ms. Fama,**

Thank you for your response to our letter of December 9, 2021. Unfortunately, it appears that you and the District members misunderstood the purpose of the letter. The letter was to emphasize the lack of transparency surrounding Sutter's closure of the Mickelson Pool and PHCD's response to the closure. We had no intent of fostering an adversarial relationship between the Board and the community that you represent here on the Peninsula.

Rather, we are seeking the support of PHCD for the residents of the District, who desperately need the medical use of the pool. PHCD should investigate the closure of the Mickelson Pool and question Sutter and its representatives, including Janet Wagner, about the true reason for the closure. Concerning your "jurisdiction" under the law – we understand the law very well. No one is asking PHCD to file any litigation.

**First**, the community is not satisfied by PHCD's responses concerning Sutter's public statements. It appears that PHCD generated no report or comments supporting our community and the people you represent.

**Second**, although your response notes that "MPMC program priorities, infection disease issues, and operating costs are the expressed chief concerns," it does not address the community's concerns that Sutter said one thing (that the closure would be temporary) and did another (closed it permanently). Sutter repeatedly moved the goal posts regarding Mickelson and did so before this Board and the public. Yet, it appears that the Board failed to address these shifting explanations on behalf of the community you represent. *Why* is Sutter closing *all* of its therapy pools? *Why* is Sutter not reopening Mickelson under *any circumstances*? *Why* is Sutter *unwilling* to lease the pool area to another operator? The citizens who depend on Mickelson want to hear the truth about Sutter's *explanations*, not mere conclusions and you were elected by Peninsula residents to represent their healthcare interests.

We seem to disagree on your obligations under the relevant provisions of the Cal. Health & Safety Code. Our letter neither asserts nor implies that PHCD has “jurisdiction” over Sutter’s operations, but we emphasize that PHCD has the power “[t]o do any and all things that an individual might do that are necessary for, and to the advantage of, a health care facility . . . for the benefit of . . . residents of the district.” (Health & Saf. Code § 32121(i).)

You must be aware that Sutter Health has been sued several times in the past few years, one by our California Attorney General, for various reasons – California recently settled with Sutter just before trial. (See enclosed.) Attorney General, Rob Bonta, explicitly stated that:

***“Sutter’s transparency must increase” and it must end “practices that decrease the accessibility and affordability of healthcare.”***

PHCD has the power to shine a light on why Sutter is closing the Mickelson Pool while its executives enjoy millions of dollars in compensation from a “non-profit.” You will also note that several local public officials are also seeking the same explanations. Elected Representatives, Mayors, Councilmembers, Supervisors, etc. are all concerned with the conduct of Sutter regarding the pool and other issues.

Moving forward, we hope that PHCD will work with us to ensure that Sutter provides legitimate and rational explanations for why it intends to deprive residents of the District of a vital therapeutic resource.

Sincerely,

**JOSEPH W. COTCHETT**

Enclosure

cc: **Lawrence W. Cappel, Ph.D., Chair, Peninsula Health Care District**  
**Helen C. Galligan, R.N., Vice-Chair, Peninsula Health Care District**  
**Rick Navarro, M.D., Director, Peninsula Health Care District**  
**Frank R. Pagliaro, Esq., Secretary, Peninsula Health Care District**  
**Dennis Zell, Esq., Director, Peninsula Health Care District**  
**Hon. Jackie Speier, Congresswoman**  
**Hon. Kevin Mullin, Assemblymember**  
**Hon. Josh Becker, Senator**  
**Hon. Dave Pine, San Mateo County Board of Supervisors**  
**Hon. Carole Groom, San Mateo County Board of Supervisors**  
**Hon. Don Horsley, San Mateo County Board of Supervisors**  
**Hon. Warren Slocum, San Mateo County Board of Supervisors**  
**Hon. David Canepa, San Mateo County Board of Supervisors**  
**Lindsay Raike, STOMP Board of Directors**

**LAW OFFICES OF  
MARK D. HUDAK**

177 Bovet Road, Suite 600  
San Mateo, CA 94402

(650) 638-2390  
Mark@mhudaklaw.com

January 11, 2022

**Via Email and Regular Mail**

Joseph Cotchett, Esq.  
Cotchett, Pitre & McCarthy, LLP  
840 Malcolm Road  
Burlingame, CA 94010

Re: Sutter Therapy Pool

Dear Mr. Cotchett:

I represent the Peninsula Health Care District (the "District"). I am responding to your letter of December 28, 2021 regarding Sutter Health's decision to permanently close the Mickelson Pool.

Over the past months, the District's Board of Directors and staff have been actively engaged on this issue, as detailed in Cheryl Fama's letter of December 17. The outcome of these efforts has been reported at several public Board meetings. The District continues to explore all options to assist residents who have been impacted by Sutter's decision, including partial funding of the pool operation, transportation for District residents to alternative facilities, and construction of replacement facilities. The Board has received extensive public comment at its meetings from pool users testifying to the impact of Sutter's decision on them. Every Board member has been sympathetic to the effect the closure has on District residents.

However, the District has no legal authority over Sutter's decisions. The District does not have the power to convene hearings, issue subpoenas, and compel Sutter executives to testify about the underlying reasons for the decision to close the Mickelson Pool. Nor does the District have the power to force Sutter to change its decision or to issue consistent explanations for its conduct. The District has reached out to Sutter's local representative on multiple occasions requesting further explanations but the hospital's CEO has not provided any further insight beyond Sutter's public statements.

Oversight of Sutter and all other nonprofit corporations operating in California lies with the California Attorney General. If there is a case to be made that Sutter's decision is illegal or inconsistent with its mission as a nonprofit, the Attorney General has the power to investigate, issue subpoenas, and initiate enforcement proceedings if appropriate.

The Health Care District Law, Health & Safety Code Section 32000 et seq., encourages districts to provide necessary services through grants to and partnerships with existing healthcare