

PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION  
**BOARD OF DIRECTORS**  
REGULAR MEETING AGENDA

Hybrid - Kathleen King Room & Virtual/Teleconference

85 Nielson Street, Watsonville CA

ZOOM LINK <https://zoom.us/j/93443061917>

TELEPHONE +1 669 900 9128 WEBINAR ID: 934 4306 1917

**October 20, 2022**  
**5:00 p.m.**

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*Pursuant to PVHCDHC Resolutions adopted monthly, Assembly Bill 361, and guidance from the Santa Cruz County Health Department in response to concerns regarding COVID-19, Board Members of PVHCDHC are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.*

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**TRANSLATION SERVICES/SERVICIOS DE TRADUCCION**

Spanish language translation is available on an as needed basis. Please make advance arrangements at least three business days before the meeting at by calling at 831.763.6040 or by emailing at [info@pvhcdhospital.org](mailto:info@pvhcdhospital.org) or [info@pvhcd.org](mailto:info@pvhcd.org)

*Las sesiones de la Mesa Directiva pueden ser traducidas del inglés al español y del español al inglés. Por favor llame por lo menos tres días hábiles antes de la junta al 831.763.6040 o envíe un correo electrónico a [info@pvhcdhospital.org](mailto:info@pvhcdhospital.org) o [info@pvhcd.org](mailto:info@pvhcd.org) para solicitar interpretación.*

**ACCOMMODATIONS FOR PERSONS WITH DISABILITIES**

*The Pajaro Valley Health Care District Hospital Corporation does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and wish to participate in the meeting and require special assistance in order to participate, please call 831.763.6040 or email [info@pvhcdhospital.org](mailto:info@pvhcdhospital.org) or [info@pvhcd.org](mailto:info@pvhcd.org) at least three business days in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.*

*For Public Participation Guidelines, see last page(s) of the agenda.*

**1. CALL TO ORDER/ROLL CALL**

**2. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA**

**3. PUBLIC COMMENT**

This time is set aside for members of the general public to address the Board on any item not on the Board Agenda (not to exceed two minutes), which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Board Member may respond to statements made or questions asked or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Board will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report.

**4. REPORT FROM CHIEF EXECUTIVE OFFICER SALYER**

**5. COMMENTS FROM BOARD MEMBERS**

**6. INFORMATIONAL ITEMS (No Action Required) (if any)**

**7. CONSENT AGENDA**

Consent items include routine business that does not call for discussion. One roll call vote is taken for all items. Only a Board Member may pull items from Consent to Regular agenda. Members of the public must request that a Board Member pull an item from the Consent Agenda prior to the start of the meeting.

**ACTION ON CONSENT AGENDA**

- a) Board questions to staff
- b) Public Comment
- c) Motion to approve Consent Agenda
- d) Action by Board/Roll Call Vote

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**A. MOTION APPROVING MINUTES OF SEPTEMBER 29 AND OCTOBER 6, 2022**

**B. MOTION APPROVING DELEGATION OF AUTHORITY POLICY**

**C. MOTION APPROVING CASH FORECAST AS PRESENTED ON OCTOBER 6, 2022**

**D. MOTION RATIFYING WAIVER OF POTENTIAL CONFLICT OF INTEREST RELATED TO THE PROJECT PAYMENT OF PILLSBURY PHILLIPS**

**E. RESOLUTION MAKING FINDINGS AND ORDERING THE USE OF TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS DUE TO COVID-19, PURSUANT TO THE REQUIREMENTS OF ASSEMBLY BILL 361: AND DIRECT STAFF TO RETURN WITHIN 30 DAYS WITH A NEW RESOLUTION ADDRESSING THE NEED TO CONTINUE HOLDING TELECONFERENCE MEETINGS CONSISTENT WITH THE REQUIREMENTS OF ASSEMBLY BILL 361**

## 8. REGULAR AGENDA

### A. REQUEST TO THE PAJARO VALLEY HEALTHCARE DISTRICT PROJECT TO BECOME FOUNDATION ARM OF THE PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION

- 1) Oral Report by June Ponce
- 2) Board questions to staff
- 3) Public Comment
- 4) Motion approving letter requesting Project to become foundation arm of the Pajaro Valley Health Care District Hospital Corporation and authorizing Directors Friel and Najera to transmit such letter to the Board
- 5) Action by Board/Roll Call Vote

### B. REPORT ON BEHALF OF MEDICAL COMMITTEES ON THE FOLLOWING REPORTS

- 1) Oral Report
- 2) Board questions to staff
- 3) Public Comment
- 4) Motion approving Interdisciplinary Practice Credentials Report
- 5) Motion approving Credentials Report of October 2022

## 9. ADJOURNMENT

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**Agenda documents** are available for review in person at Watsonville Community Hospital, 75 Nielson Street, Hospital Main Lobby-Visitors Desk; and electronically on the Pajaro Valley Healthcare District's website, at: [PVHCD.org](http://PVHCD.org)

To view online, visit the Board's website at: [PVHCD.org](http://PVHCD.org). Select the meeting date to view the agenda and supporting documents.

This agenda was posted in accordance with the California Brown Act. Any materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet will be made available to the public in accordance with Government Section 54957.5.

### RELATED CORRESPONDENCE -

Written comments on agenda items may also be submitted to the Board by email or US Mail

**Email:** [info@pvhcdhospital.org](mailto:info@pvhcdhospital.org) or [info@pvhcd.org](mailto:info@pvhcd.org)

- Emailed documents may take up to 24 hours to be posted
- Please include the agenda item number

**U.S. Mail:**

PVHCD Board of Directors  
86 Nielson Street  
Watsonville, CA 95076

Comments received after 4 p.m. the day of the meeting and before the end of the meeting will be included with the minutes record.

## Public Participation Guidelines

### PUBLIC COMMENT

#### **Participating in Person:**

The meeting space is open with limited capacity. Face coverings are highly recommended in the meeting space, regardless of vaccination status. To address the Board, please line up at the podium when the Board Chair calls for general public comment or calls for public comment on the regular agenda item to which you would like to speak. Please state your name clearly for the record before making your comment and limit your remarks to the allotted time.

#### **Participating by Phone:**

To address the Board, dial the telephone number provided and you will be prompted to enter the meeting ID number. After that, you will be able to listen to the meeting and speak during public comment as announced by the Chair. The Clerk will call on people by the last four digits of their phone number.

The following commands can be entered via DTMF tones using your phone's dial pad while in a Zoom meeting:

- \*6 - Toggle mute/unmute
- \*9 - Raise hand

#### **Participating online via Zoom:**

You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.

You will be asked to enter an email address and name. **Please identify yourself by any name you choose (you are not required to state your real name to participate)** as this appears online and is how we notify you when it is your turn to speak.

When the Board Chair calls for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.

When called, please limit your remarks to the time allotted.



**PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION**

**BOARD OF DIRECTORS**

**SPECIAL MEETING MINUTES**

**SEPTEMBER 29, 2022**

**5:01 p.m.**

Virtual/Teleconference Only

ZOOM LINK <https://zoom.us/j/93443061917>

**INTRODUCTORY ITEMS**

**1. CALL TO ORDER**

PRESENT: Directors Gabriel-Cox, Nuñez, Pimentel, and Friel

ABSENT: Nájera,

**2. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA – None**

**3. PUBLIC COMMENT – None**

**REGULAR AGENDA**

**5. CREDIT AGREEMENT WITH DAVID & LUCILE PACKARD FOUNDATION**

An oral report was given by Founderwerk Healthcare Division Managing Director Cecilia Montalvo.

**Recommended Action(s):**

- a. Adopt a Resolution Approving Credit Agreement between the David and Lucile Packard Foundation, Pajaro Valley Health Care District Project, and the Pajaro Valley Health Care District Hospital Corporation to advance a \$6,347,767 loan.
- b. Authorize CEO Salyer to execute the attached Credit Agreement and all ancillary documents related to the Credit Agreement necessary complete the transaction.
- c. Authorize CEO Salyer, upon the advice of administrative staff and legal

counsel, to make miscellaneous changes to the Credit Agreement to effectuate the will of the Board to the close the transaction, as necessary.

**Public Input**

None.

**MOTION:** Director Pimentel motion to approve the above actions and authorize staff and lead counsel to continue negotiating on items presented by staff. The motion was seconded by Director Friel and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: Nájera

**ADJOURNMENT**

The meeting adjourned at 5:27 p.m.

Approved: \_\_\_\_\_

John Friel, Chair

Attest: \_\_\_\_\_

Beatriz Vazquez Flores, Clerk of the Board



**PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION  
BOARD OF DIRECTORS  
REGULAR MEETING MINUTES**

**October 6, 2022**

**5:14 p.m.**

Meeting was held in hybrid format

Hybrid - Kathleen King Room & Virtual/Teleconference

85 Nielson Street, Watsonville CA

ZOOM LINK <https://zoom.us/j/93443061917>

**1. CALL TO ORDER**

PRESENT: Directors Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel.

**CLOSED SESSION**

**2. SCHEDULE A CLOSED PERSONNEL AND LITIGATION SESSION TO BE HELD AT THE CONCLUSION OF THE BOARD'S CONSENT OR REGULAR AGENDA, OR AT ANY OTHER TIME DURING THE COURSE OF THE MEETING ANNOUNCED BY THE CHAIRPERSON OF THE BOARD**

**A. PUBLIC EMPLOYEE EVALUATION (Government Code Section 54957(b)(1))**

Title: Chief Executive Officer

**B. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)**

Agency Negotiators: Katie Gabriel-Cox and Marcus Pimentel

Employee: Chief Executive Officer

**C. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION (Government Code Section 54956.9(a))**

1. Name of case: SEIU United Healthcare Workers -West v. Watsonville Community Hospital Case 32-CA203804 (filed on 8/31/2022 with the National Labor Relations Board)

2. Name of case: California Nurses Association/National Nurses United v. Pajaro

Valley Healthcare District, et al., Case No. SF-CE-2002-M (filed on 9/14/2022 with California Public Employee Relations Board)

D. HEARINGS/REPORTS (Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter:

1. Report of the Medical Staff Credentials Committee
2. Report of the Medical Staff Interdisciplinary Committee
3. Report of the Medical Executive Committee

***Meeting reconvened at 6:02 p.m.***

**3. CONSIDERATION OF LATE ADDITIONS TO THE AGENDA-None**

**4. PUBLIC COMMENT**

Roseann Farris, Watsonville Community Hospital (WCH) Registered Nurse, requested that the Board have better communication with the Watsonville Community Hospital staff, including having meetings at convenient times for staff to attend and to meet with staff in the hospital.

**5. ACTION ON THE CONSENT AGENDA (ITEMS 9-13)**

**MOTION:** Director Nuñez made a motion to approve the Consent Agenda, seconded by Director Pimentel, and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: None

**REGULAR AGENDA**

**6. CASH FORECAST BUDGET PRESENTATION (Information Only)**

Recommended Action(s): No action required.

Founderwerk Healthcare Division Managing Director Cecilia Montalvo gave a presentation and informed the Board that the forecast budget needed approval of the Board; therefore the Board would be asked to approve it at their next meeting.

**7. FORMATION OF STANDING COMMITTEES**

Recommended Action(s): Consider and form the Standing Committees of the Board of Directors as established pursuant to the PVHCDHC Bylaws: Finance Committee, Strategic Planning and Marketing Committee, Human Resources Committee, Quality and Patient Safety Committee.



Steven Salyer, CEO, gave a report regarding the formation of the Committees to comply with the Bylaws adopted by the Board of Directors.

CEO Salyer requested that the Board of Directors also create an Ad Hoc Strategic Planning Development Committee to develop guidelines to create a Strategic Plan.

CEO Salyer listed the names of the Directors who had expressed interest in each committee for the Board to appoint Directors for each Committee. The following motions were made to appoint the Directors to the different committees.

**Ad Hoc Strategic Planning Development Committee:**

**MOTION:** Director Pimentel made a motion to appoint Directors Nuñez and Gabriel-Cox to the Ad Hoc Strategic Planning Development Committee, seconded by Director Nájera, and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: None

**Finance Committee:**

**MOTION:** Director Nájera made a motion to appoint Directors Pimentel and Friel to the Finance Committee, seconded by Director Nuñez, and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: None

**Human Resources Committee:**

**MOTION:** Director Friel made a motion to appoint Directors Nájera and Pimentel to the Human Resources Committee, seconded by Director Nuñez, and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: None

**Quality and Patient Safety Committee:**

**MOTION:** Director Pimentel made a motion to appoint Directors Gabriel-Cox and Nájera to the Quality and Patient Safety Committee, seconded by Director Nuñez, and carried by the following vote:

AYES:	Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel
NOES:	Directors: None
ABSENT:	Directors: None

**Strategic Planning and Marketing Committee:**

**MOTION:** Director Cox-Gabriel made a motion to appoint Directors Friel, Nájera, and Nuñez to the Strategic Planning and Marketing Committee, seconded by Director Nuñez, and carried by the following vote:

AYES: Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel  
NOES: Directors: None  
ABSENT: Directors: None

**8. REPORT ON BEHALF OF MEDICAL COMMITTEES ON THE FOLLOWING REPORTS**

Recommended Action(s):

- a. Credentials Report: September 2022
- b. Interdisciplinary Practice Credentials Report: September 2022

Clay Angel, M.D., Chief of Staff and Chair of the Medical Executive Committee gave a brief report regarding each of the above reports.

**MOTION:** Director Nuñez made a motion to approve the above reports, seconded by Nájera, and carried by the following vote:

AYES: Directors: Gabriel-Cox, Nájera, Nuñez, Pimentel, and Friel  
NOES: Directors: None  
ABSENT: Directors: None

**CONSENT AGENDA**

**9. APPROVAL OF MINUTES**

Recommended Action(s):

Approve minutes of September 1 and 15, 2022

**10. AB 361 RESOLUTION AUTHORIZING TELECONFERENCE MEETINGS**

Recommended Action(s):

- a) Adopt resolution making findings and ordering the use of teleconference meetings of the Board of Directors due to COVID-19, pursuant to the requirements of Assembly Bill 361: and
- b) Direct Staff to return within 30 days with a new resolution addressing the need to continue holding teleconference meetings consistent with the requirements of Assembly Bill 361.

**11. NEW AGENDA FORMAT**

Recommended Action(s): Approve Agenda Format.

**12. NEW BOARD MEETINGS SCHEDULE**

Recommended Action(s): Approve Board meeting schedule.

**13. RELIEVE COUNTY COUNSEL OF LEGAL DUTIES**

Recommended Action(s): Relieve County Counsel of legal duties

**ADJOURNMENT**

The meeting adjourned at 6:53 p.m.

Approved: \_\_\_\_\_

John Friel, Chair

Attest: \_\_\_\_\_

Beatriz Vázquez Flores, Clerk of the Board



# PVHCDHC/Watsonville Community Hospital

September – December 2022 Partial Year Budget



# 2022 Budget

The budget from purchase date to 12/31 is a cash-based budget based on the prior 9-month trends.

The impact from cost saving initiatives, payor contract changes, and labor changes have been incorporated into the budget.

The spend categories are the top-level expense items for the Hospital in total. A department-based P&L budget will be created for 2023.

# Cash Collections

Cash receipts are derived from two sources.

- Collections from payors for hospital services.
- Receipt of QAF & DSH supplemental payments from the State.

Receipts from payors are steady with no significant variation week to week.

- The forecast includes the potential for a slowdown in Oct due to payor contract changes. This is a conservative view that may not happen.
- Re-negotiated payor rates to have positive impact starting in mid December. \$8.3m annual impact.

Supplemental payments are sporadic with heavier receipts in Q4.

Collections Examples	Payors	Supplemental
Week 5 (10/07/22)	\$500,000	\$0
Week 6 (10/14/22)	\$1,000,000	\$81,076
Week 8 (10/28/22)	\$1,500,000	\$4,337,588
Week 9 (11/04/22)	\$2,050,000	\$0
Week 10 (11/11/22)	\$2,050,000	\$0
Week 16 (12/23/22)	\$2,250,000	\$0
<b>Total Sep - Dec</b>	<b>\$34,850,000</b>	<b>\$8,132,566</b>



# Cash Disbursements – Labor & Benefits

*Employee and temporary labor are 64% of the Hospital expenses.*

## Current State

- Bi-weekly labor disbursements have averaged \$2.4m for the past 8 pay periods. Little variation.
- Benefits costs are consistent at \$0.4m per week.
- Traveling nurse spend has been more varied but is trending down. Average \$0.2m per week.

## October 1 Changes

- Rebidding schedules based on seniority resulted in majority of staff converting to 0.8 or higher FTE status.
- Updated schedules for increased staffing efficiency due to changes in hours worked per shift
- Contract Labor, overtime and benefits spend decreases while patient care improves with continuity of care from clinical staff
- ~\$0.3m savings per bi-weekly payroll period.





# Cash Disbursements – All Other Expenses

*All other expenses combined are 36% of the Hospital expenses.*

## Expense Categories

- Medical professional firms
- Supplies
- Purchased services (i.e., IT, laundry, security, payor collections, etc.)
- Facility rent, insurance and utilities
- Rented equipment
- Repairs and maintenance

## Cost Savings Initiatives

- Sales tax exemption
- Change of GPO
- Renegotiated contracts with vendors



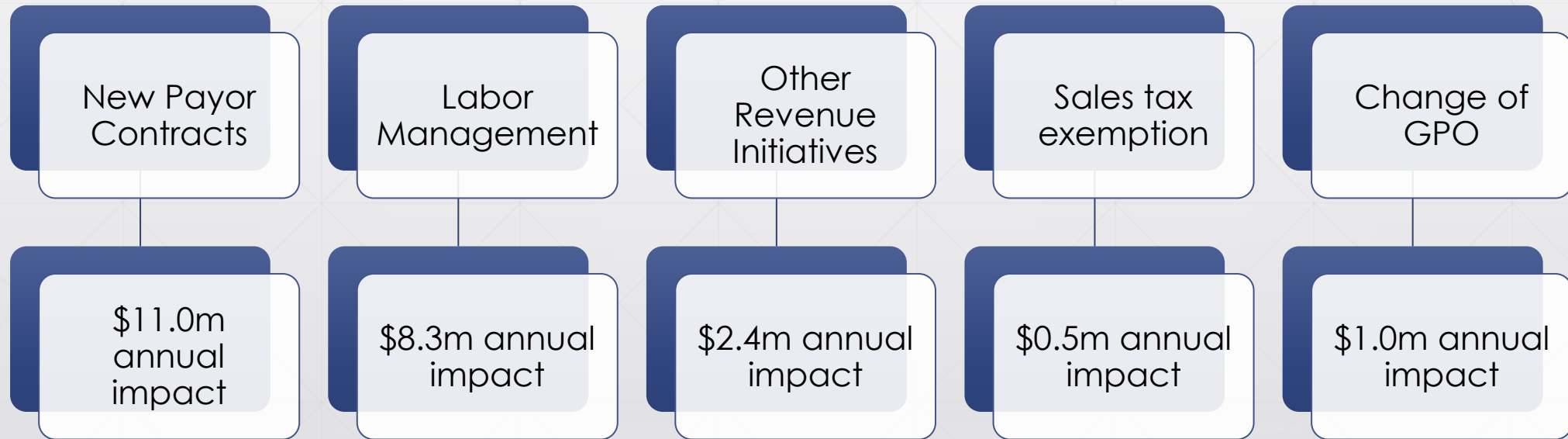
# Total Cash

- The Hospital had a \$3.2m cash balance on 09/01/22.
- The forecast is to end the year with \$7.8m cash.
- \$6.6m in donations to be received in 2022.
- Net operational spend \$1.9m over 4 months.
- Cashflow positive in 2023.



# Path to Positive Cash Flow

*Initiatives have varied start dates. All to be implemented by 01/01/23*



# September – December Budget

	September	October	November	December	Total 2022
Starting Cash	\$2,020,855	\$3,819,829	\$7,269,289	\$5,772,039	\$2,020,855
Collections	\$8,200,000	\$8,418,664	\$10,946,029	\$15,629,411	\$43,194,104
Disbursements	-\$9,766,497	-\$11,266,137	-\$12,443,278	-\$12,524,771	-\$46,000,684
Donations	\$3,365,440	\$6,296,933	\$0	\$0	\$9,662,373
Net Cash Change	\$1,798,944	\$3,449,460	-\$1,497,250	\$3,104,639	\$6,855,793
Ending Cash	<b>\$3,819,829</b>	<b>\$7,269,289</b>	<b>\$5,772,039</b>	<b>\$8,876,679</b>	<b>\$8,876,679</b>



# Budget Variances

*Potential for volatility in actual performance*

## Revenue

- Cash collections from payors has been low during the ownership transition
- Insurance payment rate increases are forecasted at year end – some may be retroactive to 9/1/22

## Expense

- Sales tax exemption delayed
- Labor costs may vary depending on whether the hospital has unfilled positions and requires traveling nurses or staff overtime



**Watsonville Community Hospital**  
**POLICY APPROVAL SUMMARY REPORT**

**Committee: Board of Directors**  
**Reporting Period: October 2022**

**As required under Title, 22, CMS and The Joint Commission (TJC), please find below a list of regulatory required policies with summary of changes that request your approval.**

Policy Title	Policy Number	Summary of Changes	Rationale for Change	Approvals & Dates
Delegation of Authority	ADM1102	Administrative policy to a) define the check signing signature policy and b) define the levels of authority that each member of the Pajaro Valley Health Care District Hospital Corporation (“PVHCDHC”) management possesses relating to the conduction of all aspects of PVHCDHC and Watsonville Community Hospital (“Hospital”) business.	Replace outdated policy installed during corporate owndership.	Author: Administrator MEC: NA BOT:



<b>Policy Title</b>	Delegation of Authority	<b>Policy #</b>	ADM1102
<b>Responsible</b>	CEO	<b>Revised/Reviewed</b>	10/10/2022

## **PURPOSE**

The purpose of this policy is to a) define the check signing signature policy and b) define the levels of authority that each member of the Pajaro Valley Health Care District Hospital Corporation (“PVHCDHC”) management possesses relating to conduction all aspects of PVHCDHC and Watsonville Community Hospital (“Hospital”) business.

## **POLICY**

### **Disbursements (Checks/ACH/Wire)**

Disbursement authorization is independent of approvals for expenses/limits of authority. Disbursement authorization may require one or two signatures, depending upon the dollar amount of the check, as per the table below.

One signature, CFO or CEO .....	Up to \$75,000
Two signatures, CFO, CEO or COO .....	\$75,001 to \$250,000
Three signatures, CFO, CEO or COO and 1 board member .....	Over \$250,000

### **Limits of Authority**

It is the policy of the PVHCDHC to strictly observe specific levels of authority in conducting Hospital business. It is further the policy of PVHCDHC to periodically reevaluate the levels of authority to ensure that it meets the Hospital’s needs and promotes efficiency in conduction Hospital business while ensuring an adequate system of internal controls. Compliance with these levels of authority is the responsibility of all Hospital management. Non-compliance with the levels of authority outlined below may subject the personnel involved to disciplinary action. The Administrative Team is responsible for periodically reviewing this policy to ensure that it meets PVHCDHC’s needs and promotes efficiency in conducting Hospital business.

Approvals requiring higher levels of authority should also reflect all prior approvals, which are cumulative and consistent with organization structure.

### Limits of Authority (General)

The following limits of authority are solely for operational expenses, contracts, and specifically exclude non- budgeted capital items and Provider/Directorship contracts and HQAF Supplemental Payment Program.

CEO or CFO or COO.....	Up to \$ 75,000
Two signatures including CEO, CFO or COO .....	\$75,001 - 250,000
Three signatures, CFO, CEO or COO and 1 board member.....	Over \$250,000

### Limits of Authority (Provider/Directorship Contracts)

Provider/Directorship contracts, no matter the dollar amount, should be approved by the CEO with secondary review by the COO.

### Limits of Authority (Capital)

“Capital Expenditure” means all expenditures greater than \$10,000, which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet.

#### *Approved Capital Expenditures*

Capital items that have been approved on the capital budget by the board of directors fall under the General limits of authority above, unless the capital item exceeds 10% of the amount originally approved on the capital budget AND is \$25,000 more the cost originally approved on the capital budget. Capital items that meet these parameters must adhere to the following limits.

10% over amount originally budgeted AND \$25,000 over from original budgeted cost

Capital items that meet these parameters will be submitted for approval to the board of directors on a Capital Equipment Request From.

#### *Non-Approved Capital Expenditures*

Capital items that have not been approved on the capital budget by the board of directors must adhere to the following limits.

CEO, CFO, COO .....	up to - \$50,000
Board Resolution .....	\$50,001 or higher

Capital items that meet these parameters will be submitted for approval to the board of directors on a Capital Equipment Request From.

### **PROCEDURE**

For authorizations that pertain to contracted good or services:

1. For the sole purpose of this policy, this includes all rental agreements, lease agreements, service contracts, contracts for professional services, and Provider/directorship contracts. The limits of authority above shall consider the total value of such agreements, which shall be the sum of all periodic payments that are required by the terms of the agreement, including down payments and/or residual payments at the end of the agreement.
2. Prior to execution, all potential contracts, including Provider/Directorship Contracts, will be reviewed by the appropriate person(s), depending upon the type of contract and limits above.
3. All executed contracted will be signed by the appropriate person(s), depending upon the type of contract and limits above.
4. If board approval is needed due to the amount of the contract, board approval will be sought before the signing of the contract by the appropriate person(s). Board minutes shall document board approval.
5. A copy of all contracts, once executed, should be routed to accounting.
6. The CFO will review all contracted cash disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

For authorizations that pertain to recurring, non-contracted disbursements:

1. For the sole purpose of this policy, this includes disbursements that are recurring monthly, bi-monthly, quarterly, semi-annually, and annually that do not have an agreement obligating the Hospital to pay for such services for more than 1-2 months (IE: can cancel with no repercussions with only one month or two notice). Typical recurring, non-contracted disbursements may include utilities, trash service, pest control services, phone or internet services, landscaping services, tax remittances, and month to month software agreements.
2. Prior to the first recurring billing, the CFO should be informed by the appropriate person(s) that recurring, non-contracted vendor services will be starting. The CFO will then set up the vendor in the accounting system and the finance staff will obtain a W-9.
3. The CFO will review all recurring, non-contracted disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

For authorizations that pertain to non-recurring, non-contracted disbursements:

1. For the sole purpose of this policy, this includes any one-time purchase for goods or services, including expense reimbursements and mileage reimbursements.
2. Prior to purchase, authorization must be obtained. The Hospital utilizes check request forms, mileage & expense reimbursement forms, and/or printouts from vendor websites of electronic approvals.



3. If a new vendor is being used, the CFO should be informed by the appropriate person(s) that a non-recurring, non-contracted vendor is going to be utilized. The CFO will then set up the vendor in the accounting system and the finance staff will obtain a W-9.

4. The CFO will review all non-recurring, non-contracted disbursements cash disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

**ATTACHMENTS:** None

**REFERENCE:** None



## **Board Memo**

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**Executive Sponsor:** Cecilia Montalvo

**Agenda Item:** Ratification of Waiver Letter to Represent the Board of Directors

**Meeting Date:** October 20, 2022

### **Recommended Action**

Request the Board's ratification of the approval to execute waiver letter that is designed to confirm the corporation waives any conflicts arising from Pillsbury Winthrop Shaw Pittman LLP (Pillsbury) representation of the Project on unrelated matters. Hospital has requested Pillsbury's representation related to Philips Medical Capital's dispute of the contract to finance the Cardiac Catheterization Lab.

### **Background/Situation/Rationale**

The purpose of this letter is to request the Hospital Board consent to our firm's simultaneous representation of the Project with respect to the Project's matters and of the Hospital with respect to the Hospital-Philips matter. Under the rules of professional conduct of the State Bar of California, a lawyer may not represent clients in matters where actual or potential conflicts of interest exist without their informed written consent.

**Financial Impact:** There is no immediate financial impact associated with this item

### **Attachment:**

- A. Letter from Pillsbury

September 21, 2022

Pajaro Valley Health Care District Hospital Corporation

Attn: Board of Directors

Re: Consent to Representation

Dear Members of the Board of Directors of Pajaro Valley Health Care District Hospital Corporation:

As you know, Pillsbury Winthrop Shaw Pittman LLP represents and will represent Pajaro Valley Healthcare District Project (the “Project”) in connection with various matters, including those described below (the “Project Matters”).

Our firm has been asked to represent Pajaro Valley Health Care District Hospital Corporation (the “Hospital”) in connection with a motion to enforce in respect to Philips Medical Capital, LLC filed in the Watsonville Hospital Corporation Chapter 11 bankruptcy case. The motion to enforce relates to the designation of certain contracts with Philips Medical Capital, LLC for assignment to you as buyer, which designation Philips Medical Capital, LLC has disputed. (“the “Hospital-Philips Matter”). The Hospital is currently adverse to the Project with respect to the acquisition of Watsonville Community Hospital, inasmuch as the Project has assigned to the Hospital its rights to acquire Watsonville Community Hospital through the bankruptcy of Watsonville Hospital Corporation pursuant to an Assignment and Assumption Agreement, dated as of August 31, 2022, and has provided services and funding to the Hospital, which are among the Project Matters. Pillsbury has and will represent the Project in connection with its dealings with the Hospital and the Hospital will be represented by other legal counsel in connection therewith.

The purpose of this letter is to request the Hospital’s consent to our firm’s simultaneous representation of the Project with respect to the Project Matters and of the Hospital with respect to the Hospital-Philips Matter. Under the rules of professional conduct of the State Bar of California, a lawyer may not represent clients in matters where actual or potential conflicts of interest exist without their informed written consent.

We will have obtained from the Project a written waiver and consent to our representation of the Project with respect to the Project Matters and of the Hospital with respect to the Hospital-Philips Matter. Similarly, we request from the Hospital a

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waiver and consent to the representation of the Hospital in connection with the Hospital-Philips Matter and of the Project with respect to the Project Matters.

We believe our representation of the Hospital with respect to the Hospital-Philips Matter will not be prejudiced by our representation of the Project because no confidential information that we have received or expect to receive in connection with the Hospital-Philips Matter is or would be material to our representation of the Project and no confidential information pertaining to the Hospital in our possession will be shared with the Project or utilized in connection with our representation of the Project.

If the Hospital is willing to consent to our simultaneous representation of the Hospital in the Hospital-Philips Matter and the Project in the Project Matters, we ask that the Hospital please indicate such consent by having an appropriate officer sign and date a copy of this letter and returning a scanned copy to me via email.

Please call me if you have any questions. Thank you for your cooperation on this matter.

Sincerely yours,

*Jonathan Doolittle*

Jonathan Doolittle

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**CONSENT AND WAIVER**

The undersigned, on its own behalf, and on behalf of any related entities, hereby consents to Pillsbury's representation of the Hospital in the Hospital-Philips Matter and the Project in the Project Matters, as described above and the undersigned waives all actual and potential conflicts of interest arising from such representations as described above.

MEMBERS OF THE BOARD OF DIRECTORS OF PAJARO VALLEY HEALTH  
CARE DISTRICT HOSPITAL CORPORATION

By: \_\_\_\_\_

Dated: \_\_\_\_\_



## Board Memo

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**Executive Sponsor:** Steven Salyer, CEO

**Agenda Item:** AB 361 Resolution Authorizing Teleconference Meetings

**Meeting Date:** October 20, 2022

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### **Recommended Actions:**

Resolution authorizing making findings and ordering the use of teleconference meetings of the Board of Directors due to COVID-19, pursuant to the requirements of Assembly Bill 361; and Direct Staff to return within 30 days with a new resolution addressing the need to continue holding teleconference meetings consistent with the requirements of Assembly Bill 361.

### **Executive Summary**

As a result of the continuing impacts of the COVID-19 pandemic, many local agencies have been holding teleconference meetings under the modified rules authorized under Assembly Bill 361. This item asks the Board to adopt a resolution ordering the use of teleconference meetings under the modified rules. This will allow Hospital Board members to appear at meetings remotely if they choose to do so.

### **Background**

On March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic pursuant to Government Code section 8550 et seq., which remains in effect.

Assembly Bill 361 ("AB 361") allows legislative bodies to hold teleconference meetings during declared emergencies as long as they follow designated rules, and the legislative body routinely reviews the need to continue holding such teleconference meetings.

On September 30, 2021, Santa Cruz County Public Health Officer Dr. Gail Newel issued a strong recommendation that legislative bodies in Santa

Cruz County continue to engage in physical/social distancing by meeting via teleconference as allowed by AB 361 and confirmed that she will regularly review and reconsider this recommendation and notify the public when it is no longer recommended. Dr. Newel's recommendation remains in effect.

### **Analysis**

Many local legislative bodies have recognized that COVID-19 presents a continuing threat to the Santa Cruz County community and that there is an important governmental interest in protecting the health, safety, and welfare of those who participate in public meetings. Requiring all members of legislative bodies to appear in-person at meetings presents greater risk to the health and safety of meeting participants, including reduced social distancing among people of different communities, increased exposure for those who are immunocompromised or unvaccinated, and challenges associated with fully ascertaining and ensuring compliance with vaccination, face coverings, and other safety measures at such public meetings.

Pursuant to AB 361, a legislative body can hold teleconference meetings under the modified AB 361 teleconferencing rules if a state of emergency remains active, or local officials have recommended measures to promote social distancing, as long as the legislative body reconsiders the circumstances of the state of emergency and determines either that the state of emergency continues to directly impact the ability of the members to meet safely in person or that local officials continue to recommend measures to promote social distancing.

The Governor's emergency proclamation has not been lifted and Dr. Newel's social distancing recommendation remains in effect. The dangers presented by returning to non-emergency meeting protocols remain. Staff recommends that the Board adopt the draft resolution accompanying this item, which contains the findings necessary to hold teleconference meetings under the modified Brown Act rules.

### **Financial Impact**

There is no financial impact associated with this item.

### **Attachment(s)**

A. Resolution AB361

**BEFORE THE BOARD OF DIRECTORS  
OF THE PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION**

RESOLUTION NO. \_\_\_\_\_

On the motion of Director  
Duly seconded by Director  
The following resolution is adopted.

**RESOLUTION AUTHORIZING TELECONFERENCE MEETINGS UNDER ASSEMBLY  
BILL 361 AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC STATE OF  
EMERGENCY AND HEALTH OFFICER RECOMMENDATION FOR SOCIAL  
DISTANCING**

**WHEREAS**, on March 4, 2020, Governor Newsom issued a Proclamation of State of Emergency in response to the COVID-19 pandemic pursuant to California Government Code section 8550 et seq., which remains in effect; and

**WHEREAS**, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, known as the Ralph M. Brown Act, and codified in California Government Code section 54950 et seq., provided that certain requirements were met and followed; and

**WHEREAS**, on June 11, 2021, Governor Newsom issued Executive Order N-08-21 which further extended the suspension of the teleconferencing rules set forth in the Brown Act and clarified that the provisions issued in N-29-20 would remain in effect through September 30, 2021; and

**WHEREAS**, on September 16, 2021, Governor Newsom signed Assembly Bill 361 ("AB 361"), which amended Government Code section 54953 to permit legislative bodies subject to the Brown Act to continue to meet under modified teleconferencing rules provided that they comply with specific requirements set forth in the statute; and

**WHEREAS**, pursuant to AB 361, a legislative body may hold an initial teleconference meeting under the modified teleconferencing rules during a proclaimed state of emergency where local officials have imposed or recommended measures to promote social distancing; and

**WHEREAS**, on September 30, 2021, Santa Cruz County Public Health Officer Dr. Gail Newel strongly recommended that legislative bodies in Santa Cruz County continue to engage in physical/social distancing by meeting via teleconference as allowed by AB 361 and confirmed that she will regularly review and reconsider this recommendation and notify the public when it is no longer recommended; and



**WHEREAS**, after its initial AB 361 teleconference meeting, a legislative body can continue to hold such teleconference meetings if a state of emergency remains active, or local officials have recommended measures to promote social distancing, if the legislative body has reconsidered the circumstances of the state of emergency and determined either that the state of emergency continues to directly impact the ability of the members to meet safely in person or that local officials continue to recommend measures to promote social distancing; and

**WHEREAS**, the findings set forth in the paragraph immediately above must be made within 30 days of the date the legislative body first held a teleconferenced meeting pursuant to AB 361, and every 30 days thereafter, for as long as the legislative body wishes to hold such teleconference meetings; and

**WHEREAS**, the Hospital has an important governmental interest in protecting the health, safety, and welfare of those who participate in meetings of the Hospital Board of Directors; and

**WHEREAS**, this Board finds that there is a continuing threat of COVID-19 to the community and finds that requiring all Board members to appear in-person at meetings presents greater risk to the health and safety of meeting participants stemming from reduced social distancing among people of different communities, increased exposure for those who are immunocompromised or unvaccinated, and challenges associated with fully ascertaining and ensuring compliance with vaccination, face coverings, and other safety measures at such public meetings; and

**WHEREAS**, this Board meets in-person in a facility where other functions take place, such that increasing the number of people present may impair the safety of participants and members of the public; and

**WHEREAS**, as required by AB 361, this Board has considered the circumstances of the current state of emergency and finds that the COVID-19 pandemic continues to directly impact the ability of Board members to meet safely in person and further finds that the Santa Cruz County Public Health Officer continues to recommend measures to promote social distancing; and

**WHEREAS**, in the interest of public health and safety, due to the emergency caused by the spread of COVID-19 the Board of Directors deems it necessary to utilize the modified teleconferencing rules set forth in AB 361.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PAJARO VALLEY HEALTH CARE DISTRICT HOSPITAL CORPORATION HEREBY RESOLVES AND ORDERS AS FOLLOWS:**

**Section 1.** The foregoing recitals are adopted as findings of the Board of Directors as set forth within the body of this Resolution.

**Section 2.** Effective immediately, for the next 30 days the Board of Directors will meet using the modified teleconference rules authorized under AB 361 and Government Code section 54953(e)(3).

**Section 3.** Staff is directed to return no later than thirty (30) days after the adoption of this Resolution with an item requesting the Board to reconsider the circumstances of the COVID-19 state of emergency and, if necessary, consider adoption of a subsequent Resolution to continue using the modified teleconference rules for meetings in accordance with Government Code section 54953(e)(3).

**Section 4.** Staff is authorized and directed to take all such other necessary or appropriate actions to implement the intent and purposes of this Resolution.

**PASSED AND ADOPTED** by the Board of Directors of the Pajaro Valley Health Care District Hospital Corporation this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Chair, Board of Directors

ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

\_\_\_\_\_  
PVHCDHC Counsel



October 20, 2022

Dear Board Members of The Pajaro Valley Health Care District Project,

On behalf of the Board of Directors for the Pajaro Valley Healthcare District (PVHDP), I would like to thank you for everything you did to spearhead the creation a local healthcare district for the Pajaro Valley and for taking the lead to guide the community fundraising effort to save Watsonville Community Hospital (WCH). Because of your leadership, the communities that our Health Care District and Hospital serve will have the high quality and sustainable healthcare services they need. You have helped tremendously to create the ability to allow for community-driven healthcare services.

As we move forward to ensure that the Hospital remains financially sustainable, it is clear that establishing a foundation within our healthcare district is essential. We have looked at many possibilities and through that process, we realize that PVHDP – an incredible organization with a proven track record of results, would be the best partner to ensure the long-term stability of WCH. We respectfully ask that you consider becoming the foundation arm of the Pajaro Valley Health Care District Hospital Corporation.

Throughout the process you have been important partners to us, WCH and our community. The sustainability of our Healthcare District and WCH will be based on our ability to generate revenue from provided services as well as obtaining government grants, philanthropic donations, and community gifts. You have created network of donors and community partners—including the numerous individuals, elected officials, community businesses, associations and partner organizations which will be so valuable going forward. We look forward to scheduling a meeting with you to discuss our request. Thank you for your consideration.

Sincerely,

John Friel, Chair of the Board on behalf of  
Pajaro Valley Health Care District Hospital Corporation



PVHCDHC

## Board Memo

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**Executive Sponsor:** Clay Angel, M.D., Chief of Staff, Chair, Medical Executive Committee

**Agenda Item:** Chief of Staff Report – September 20, 2022 MEC

**Meeting Date:** October 20, 2022

### ACTION ITEMS FOR APPROVAL

**1. Credentialing Actions:**

1.1 Credentials Report: October 2022

1.2 Interdisciplinary Practice Credentials Report: October 2022

**2. Policies & Procedures (*new or content changes*):**

None

**General Privileges Statement:**

Privileges are granted specific to pre-identified criteria that the provider has been determined to have met after careful review and analysis by Credentials Committee and MEC.

### Attachment

A. Reports



**Medical Executive Committee Summary – October 18, 2022**  
**ITEMS FOR BOARD APPROVAL**

**Credentials Committee**

**INITIAL APPOINTMENTS:**

APPLICANT	SPECIALTY / STATUS	DEPT	PRIVILEGES	Effective Date
Trent, Caleb, MD	Emergency Medicine / Provisional	Emergency Medicine	Emergency Medicine Moderate Sedation	10/21/2022 – 9/30/2024

**REAPPOINTMENTS:**

APPLICANT	SPECIALTY / STATUS	DEPT	PRIVILEGES	Effective Date
Freedman, Andrew, MD	Critical Care / Telemedicine	Medicine	Telemedicine Critical Care	10/21/2022 – 09/30/2024
Abdoo, David, DPM	Podiatry / Active	Surgery	Podiatry Fluoroscopy Wound Care	11/01/2022 – 10/31/2024
Bayaca, Francis, MD	Family Practice / Refer and Follow	Medicine	Refer and Follow Family Medicine	11/01/2022 – 10/31/2024
Hsei, Rex, Md	Ophthalmology / Courtesy	Surgery	Ophthalmology	11/01/2022 – 10/31/2024
MacLean, William, MD	Otolaryngology / Active	Surgery	Otolaryngology	11/01/2022 – 10/31/2024
Okumu, Kris, MD	Orthopedic Surgery / Active	Surgery	Orthopedic Surgery Fluoroscopy	10/28/2022 – 09/30/2024
Redwine, Jonathon, MD	General Surgery / Active	Surgery	General Surgery Fluoroscopy	11/01/2022 – 10/31/2024
Segnitz, Karl, MD	Hospice & Palliative Care / Active	Medicine	Hospice & Palliative Care	10/28/2022 – 09/30/2024
Vo, Hoang Anh, MD	Interventional Radiology / Active	Medicine	Interventional Radiology Moderate Sedation	11/01/2022 – 10/31/2024

**MODIFICATION / ADDITION OF PRIVILEGES:**

NAME	SPECIALTY	Privileges
De, Ajante, MD	Cardiology, Interventional	Wound Care privileges
Lo, Ruby, MD	General Surgery	Wound Care privileges

**STAFF STATUS MODIFICATIONS:**

NAME	SPECIALTY / DEPARTMENT	RECOMMENDATION
Brandt, Sarah, MD	General Surgery / Surgery	Advance to Active Staff
Freedman, Andrew, MD	Telemedicine Critical Care / Medicine	Advance to Telemedicine Staff

Harmon, Liv, MD	General Surgery / Surgery	From Courtesy to Active Staff
Hashisho, Mazen, MD	Vascular, Thoracic Surgery / Surgery	Release from proctoring and Advance to Active Staff
Nolan, Ryan, MD	General Surgery / Surgery	Advance to Active Staff
Okumu, Kris, MD	Orthopedic Surgery / Surgery	Advance to Active Staff
Segnitz, Karl, MD	Hospice, Palliative Care Family Medicine	Advance to Active Staff
Abadie, Brianna, MD	Teleradiology	Resignation, effective 8/26/2022
Bueno del Bosque, Allen, MD	Family Medicine / Hospice	Resignation, effective 10/28/2022
Lizcano, Jennifer, DO	Internal Medicine Hospitalist	Resignation, effective 09/28/2022
Patel, Keval, MD	Internal Medicine / Infectious Disease	Resignation, effective 10/04/2022
Summa, Christopher, MD	Surgery / Spine	Resignation, effective 10/31/2022
Truong, Linda, MD	Emergency Medicine	Resignation, effective 10/04/2022
Won, Lawrence, MD	Surgery / Pain Management	Resignation, effective 09/30/2022

**TEMPORARY PRIVILEGES: (1)**

NAME	SPECIALTY / DEPARTMENT	DATES
Ahn, Johan, MD	Teleradiology / Radiology	09/29/2022 – 10/16/2022; 10/31/2022 – 11/13/2022

**INTERDISCIPLINARY PRACTICE COMMITTEE**

Initial Appointment: None

**REAPPOINTMENT: (1)**

APPLICANT	SPECIALTY / STATUS	DEPT	PRIVILEGES	Effective Date
Baker, Michael, PA-C	Internal Medicine / Advanced Practice Provider	Medicine	PICC / Medical, Surgical	11/01/2022 – 10/31/2024