



W A S H I N G T O N

HEALTH CARE FACILITIES

A U T H O R I T Y

*Financing the Health Care Future*

**Washington Health Care Facilities Authority  
Special Meeting by Teleconference  
Thursday, April 9, 2020 Meeting Minutes**

**Board Members**

Governor  
Jay Inslee  
Chair

Governor's Designee  
David Schumacher

Lieutenant Governor  
Cyrus Habib

Insurance Commissioner  
Mike Kreidler

Insurance Commissioner's  
Designee  
Toni Hood

Secretary  
Department of Health  
John Wiesman

Public Member  
Steven R. Jacobs

Executive Director  
Donna A. Murr

A special meeting of the Washington Health Care Facilities Authority was held by teleconference. Meeting notices were mailed to all members of the Authority, to all persons who requested such meeting notice, and to those members of the media presently on the mailing list for receiving meeting notices of the Washington Health Care Facilities Authority.

**Members Present:**

David Schumacher, Governor's Designee, Member, Chair  
Lieutenant Governor Cyrus Habib, Member  
Toni Hood, Insurance Commissioner's Designee, Member  
Steve Jacobs, Public Member

**Authority Staff Present:**

Donna Murr, Executive Director  
Shannon Govia, Assistant Executive Director and Program Manager  
Ashlee Frye, Assistant Executive Director and Chief Financial Officer  
Danni Miller, Executive Assistant

**Others Present:**

Rusty Fallis, Authority Assistant Attorney General  
Dan Gottlieb, Hillis Clark Martin & Peterson P.S.  
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP  
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP  
Mayling Leong, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP  
Raul Ardelean, Authority Financial Advisor, Melio & Company  
Mark Melio, Authority Financial Advisor, Melio & Company  
Matt Swafford, Authority Financial Advisor, Melio & Company  
Dustin Greer, Sea Mar Community Health Centers  
Joyce Sinakhone, SEIU  
Libby Hollingshead, Deputy Chief of Staff, Office of Lt. Governor Cyrus Habib  
Jim Rice, Sr. Relationship Manager, Bank of America

Mr. Schumacher called the meeting to order at 1:02 p.m. after noting a quorum was present consisting of himself, Lieutenant Governor Habib, Ms. Hood, and Mr. Jacobs.

**Review, discussion and possible action regarding the Minutes from the March 13, 2020 Authority Board Meeting.**

Upon motion by Mr. Jacobs and seconded by Ms. Hood the minutes of the March 13, 2020 Authority meeting were accepted by a 3-0 roll call vote, with one abstention. Lieutenant Governor Habib abstained from voting on acceptance of the minutes, he was not in attendance at the March 13, 2020 Authority meeting.

**Review, discussion and possible action regarding the adoption of Resolution No. 2020-02 approving the amended application for financial assistance and authorizing the issuance and sale of a bond for the benefit of Sea Mar Community Health Centers (Sea Mar).**

Mr. Govia summarized Resolution No. 2020-02 which, if adopted, would approve the amended application for financial assistance submitted by Sea Mar and authorize the issuance and sale of a bond in the principal amount of \$26,916,000. The proceeds of the loan will be used to finance the renovation and remodel of several facilities, reimburse Sea Mar for all or a portion of the acquisition costs of several facilities, and to refinance two series of outstanding Authority bonds.

The financing will be structured as a direct placement and the purchaser is MUFG Union Bank, N.A. The primary bondholder security for the loan will be Deeds of Trust on properties owned by Sea Mar. Feasibility has been determined by the lender. There are no Certificate of Need issues per the Department of Health. A TEFRA hearing was held on April 2, 2020, at which no individuals testified for or against the project. The interest rate will be fixed at 2.05% with a 10-year initial term and 25-year amortization. The Depository Bank is MUFG Union Bank, N.A. Sea Mar anticipates that they will save approximately \$4,820,564 in interest costs over traditional taxable interest rate financing. As a not-for-profit health care service entity, all excess earnings and cost savings are used to support the provision of charitable care and for expansion of services.

Mr. Govia introduced Ms. Leong from Orrick Herrington & Sutcliffe LLP., serving as the Authority's bond counsel for this transaction. Ms. Leong summarized the documents presented for approval and indicated that they are all in good order. Based on the determinations that are required by Authority's WACs, the due diligence investigation conducted by bond counsel, as well as the information in the application, Mr. Govia urged adoption of Resolution No. 2020-02 for the benefit of Sea Mar Community Health Centers.

Mr. Govia introduced Mr. Greer who offered to address any questions the Board might have.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Ms. Hood, Resolution No. 2020-02 was adopted by a 4-0 roll call vote.

**Review, discussion and possible action regarding the adoption, by motion, of Board Policy 2020-01 – Acceptance and Use of Electronic Signatures.**

Ms. Murr stated that at the suggestion of Rusty Fallis, Authority's Assistant Attorney General, and in response to the Governor's mandate to work remotely, we have developed Board Policy 2020-01 – Acceptance and Use of Electronic Signatures, which would authorize the use of electronic signatures consistent with RCW 19.360.020.

As summarized by Mr. Gottlieb, bond counsel to the Authority, “in order to use electronic signatures, current law requires the Authority to adopt “a method and process for electronic submissions and the use of electronic signature...by policy or rule, which must be consistent with the policies, standards, or guidance established by the State chief information officer.”

In order for the Authority to permit the use of electronic signatures, a motion is necessary to adopt Board Policy 2020-01 – Acceptance and Use of Electronic Signatures.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Ms. Hood, Board Policy 2020-01 – Acceptance and Use of Electronic Signatures was adopted by a 4-0 roll call vote.

### **Executive Director’s Report**

Ms. Murr reviewed the Executive Director’s Report presented in the meeting materials including the status of Authority financings, financial statements, status report and debt service report.

### **Adjournment:**

There being no further business, the meeting was adjourned at 1:19 pm.

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John Wiesman, Secretary