



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

Board Members

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Lieutenant Governor

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Secretary

Department of Health

Umair A. Shah

Public Member

Steven R. Jacobs

Executive Director

Donna A. Murr

**Washington Health Care Facilities Authority
Special Meeting by Teleconference
Thursday, September 2, 2021 Meeting Minutes**

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 Denny Heck, 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

Others Present:

Rusty Fallis, Authority Assistant Attorney General
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Brandon Pond, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP
Mark Melio, Authority Financial Advisor, Melio & Company
Raul Ardelean, Authority Financial Advisor, Melio & Company
Florien Bouwmeester, Authority Financial Advisor, Melio & Company
Joseph Walker, Providence St. Joseph Health
Sonya Shaw, Providence St. Joseph Health

Mr. Schumacher called the meeting to order at 1:03 p.m. after noting a quorum was present consisting of himself, Lieutenant Governor Heck, and Mr. Jacobs.

Review, discussion and possible action regarding the Minutes from the August 17, 2021 Authority Board Meeting.

Upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, the minutes of the August 17, 2021 Authority meeting were accepted by a roll call vote of 3-0.

Review, discussion and possible action regarding the adoption of Resolution No. 2021-05 approving the application for financial assistance and authorizing the issuance and sale of bonds for the benefit of Providence St. Joseph Health (PSJH).

Mr. Govia summarized Resolution No. 2021-05 which, if adopted, would approve the application for financial assistance submitted by PSJH and authorize the issuance and sale of bonds in the principal amount of not-to-exceed \$263,000,000. Proceeds of the loan will be used to refund the WHCFA Series 2012B Bonds and refinance the taxable debt incurred by PSJH that redeemed the WHCFA Series 2012C and 2012D Bonds.

The financing will be structured as a public sale underwritten by Morgan Stanley, Goldman Sachs, Barclays Capital & Wells Fargo Securities. The primary security is a master note obligation and funds held by the bond trustee. A Certificate of Need is not required per the Department of Health. Feasibility is based on the investment grade rating of PSJH. A TEFRA hearing was held on August 31, 2021, at which no individuals testified for or against the project. Interest rates will be determined at pricing in either a Term Rate or FRN Rate mode. The loan term will be determined at pricing. The bond rating is based on the rating of PSJH, which is currently Aa3/AA-/AA- by Moody's, S&P and Fitch. The bond trustee is U.S. Bank National Association. Based on current estimates of taxable vs. tax-exempt interest rates, the estimated cost reduction is approximately \$4 million over the life of the loan. PSJH will take into account projected revenues and expenses, including interest expense, in establishing its rates for services from time to time.

Mr. Govia introduced Mr. Gottlieb from Hillis Clark Martin & Peterson P.S., serving as Authority's bond counsel for this transaction. Mr. Gottlieb summarized the documents presented for approval and indicated that they are all in good order. Based on the determinations that are required by the 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. 2021-05 for the benefit of Providence St. Joseph Health.

Mr. Govia introduced Mr. Walker, who thanked the Authority for its continued support.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, Resolution No. 2021-05 was adopted by a 3-0 roll call vote.

Adjournment:

There being no further business, the meeting was adjourned at 1:14 pm.

Steve Jacobs, Secretary