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HEALTH CARE FACILITIES

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*Financing the Health Care Future*

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Executive Director

**Donna A. Murr**

**Washington Health Care Facilities Authority  
Special Board Meeting  
410 11th Avenue S.E., Suite 201  
Olympia, Washington 98504  
Thursday, December 14, 2023 Meeting Minutes**

A special meeting was held at the offices of the Washington Health Care Facilities Authority. 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:**

Lieutenant Governor Denny Heck, Member, by conference speakerphone  
Charles Malone, Insurance Commissioner's Designee, Member, Chair, by conference speakerphone  
Steve Jacobs, Public Member, by conference speakerphone

**Authority Staff Present:**

Shannon Govia, Assistant Executive Director and Program Manager  
Ashlee Frye, Assistant Executive Director and Chief Financial Officer, by conference speakerphone  
Danni Miller, Executive Assistant and Office Manager

**Others Present:**

Sharon James, Authority Assistant Attorney General, by conference speakerphone  
Christi Jacobsen, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S., by conference speakerphone  
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.  
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone  
Florien Bouwmeester, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone  
Mike Romine, CFO, Columbia Valley Community Health, by conference speakerphone  
Barry Bendall, Wells Fargo Bank, National Association, by conference speakerphone  
John Self, Wells Fargo Bank, National Association, by conference speakerphone  
Mark Stasiowski, Wells Fargo Bank, National Association, by conference speakerphone

Mr. Malone called the meeting to order at 1:02 p.m. after noting a quorum was present consisting of himself, Lt. Governor Denny Heck, and Mr. Jacobs.

**Review, discussion and possible action regarding the Minutes from the October 19, 2023 Authority Board Meeting.**

Upon motion by Mr. Jacobs and seconded by Lieutenant Governor Heck, the minutes of the October 19, 2023 Authority meeting were accepted by a roll call vote of 3-0.

**Review, discussion and possible action regarding the application for financial assistance submitted by Columbia Valley Community Health (CVCH).**

Mr. Govia summarized the application for financial assistance submitted by CVCH. CVCH is a Federally Qualified Health Center providing adult and pediatric primary care including urgent care, midwifery, dental, integrated behavioral medicine, behavioral health, pharmacy, lab, diagnostic imaging, WIC nutritional program and nutrition counseling services. CVCH is accredited by The Joint Commission as a Primary Care Medical Home.

CVCH is applying for a loan in the amount of \$15,000,000. The proceeds of the loan will be used to fund the construction of a new outpatient behavioral health therapy clinic located in East Wenatchee, Washington. The two-story facility will be 19,620 square feet with space for 30 therapist offices, 6 group therapy rooms, and clinical administration space.

The financing will be structured as a Quick Loan-Private Placement. The lender will be Wells Fargo Bank, National Association. The primary security will be a Deed of Trust. There are no Certificate of Need issues per CVCH and confirmed by the Department of Health. Feasibility will be determined by the lender. A TEFRA hearing will be scheduled. The interest rate will be fixed and is estimated to be 4.86% with a 10-year loan term and 20-year amortization. The depository bank will be Wells Fargo, National Association. CVCH anticipates that it will save approximately \$1,415,472 in interest costs over traditional taxable interest rate financing. Tax-exempt financing will contribute to the ability of CVCH to remove or reduce financial barriers to care for low-income patients.

Based on its review of the application, Hillis Clark Martin & Peterson P.S., Authority's bond counsel, has determined that CVCH and the proposed project are eligible for financing under the Authority's statute, but such determination is subject to further due diligence review by bond counsel. Mr. Govia urged the Authority's acceptance of this application.

Mr. Govia introduced Mr. Romine, CFO of CVCH, who summarized the services provided by CVCH.

In response to Lieutenant Governor Heck's request for clarification regarding the proposed facility and CVCH's hiring ability, Mr. Romine stated that this will be a new building and also noted that this is the first behavioral health facility in the county. Mr. Romine also stated that CVCH plans to hire approximately 14 additional staff. Lieutenant Governor Heck also asked how they plan to hire the additional staff members, to which Mr. Romine answered that CVCH has put apprenticeship and residency programs in place to complement its regular hiring practices.

In response to Mr. Jacobs' request to confirm whether the proposed financial covenants will mirror those of the CVCH Series 2022 financing with Wells Fargo, Mr. Romine responded that the covenants are currently being discussed with Wells Fargo. Mr. Romine explained that due to the new debt, the parties may apply a leverage ratio formula that differs from the one used in the Series 2022 financial covenants. Mr. Romine explained that CVCH is seeking \$15 million in bond proceeds, which would not exceed the leverage ratio limit under the existing covenant.

In response to Mr. Jacobs' request to confirm that CVCH projects a positive bottom line for the fiscal year ending March 31, 2024, Mr. Romine responded that CVCH has been notified of pending receipt of unbudgeted funds from grants and the annual Washington Health Care Authority reconciliation. These funds will allow for a fiscal year 2024 Budget Operating Income of positive \$2.7 million.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, the application for financial assistance submitted by Columbia Valley Community Health was accepted by a 3-0 roll call vote.

**Review, discussion and possible action regarding the Proposed Authority Meeting Dates for 2024.**

Mr. Govia provided the Proposed Authority Meeting Dates for 2024. Upon motion by Lieutenant Governor Heck and seconded by Mr. Jacobs, the Proposed Authority Meeting Dates for 2024 were accepted by a roll call vote of 3-0.

**Executive Director's Report**

Mr. Govia provided an overview of the Executive Director's Report presented in the board 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 1:18 p.m.

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Steve Jacobs, Secretary