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HEALTH CARE FACILITIES

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*Financing the Health Care Future*

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**Charles Malone**

Secretary

Department of Health

**Umair A. Shah**

Public Member

**Steven R. Jacobs**

Executive Director

**Donna A. Murr**

**Washington Health Care Facilities Authority  
Special Board Meeting  
410 11th Avenue S.E., Suite 201  
Olympia, Washington 98504  
Thursday, March 14, 2024 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:**

David Schumacher, Governor's Designee, Member, Chair, by conference speakerphone  
Lieutenant Governor Denny Heck, Member, by conference speakerphone  
Charles Malone, Insurance Commissioner's Designee, Member, by conference speakerphone  
Umair Shah, Secretary of Health, Member  
Steve Jacobs, Public Member, by conference speakerphone

**Authority Staff Present:**

Donna Murr, Executive Director  
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.  
Dan Gottlieb, Authority Bond Counsel, Hillis Clark Martin & Peterson P.S.  
Robyn Helmlinger, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone  
Bryan Victor, Authority Bond Counsel, Orrick Herrington & Sutcliffe LLP, by conference speakerphone  
Mark Melio, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone  
Raul Ardelean, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone  
Todd Mountin, Department of Health, by conference speakerphone  
Mike Romine, CFO, Columbia Valley Community Health, by conference speakerphone  
Summer Kelley, Controller, Columbia Valley Community Health, by conference speakerphone

Kelli Nomura, Chief Executive Officer, International Community Health Services, by conference speakerphone

Hermes Shahbazian, Chief Financial Officer, International Community Health Services, 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

Jeff Luu, Wells Fargo Bank, National Association, by conference speakerphone

Bob Marsalli, Washington Association for Community Health, by conference speakerphone

Mr. Schumacher called the meeting to order at 1:04 p.m. after noting a quorum was present consisting of himself, Lt. Governor Heck, Mr. Malone, Dr. Shah and Mr. Jacobs.

**Review, discussion and possible action regarding the Minutes from the December 14, 2023 Authority Board Meeting.**

Upon motion by Mr. Jacobs and seconded by Lieutenant Governor Heck, the minutes of the December 14, 2023 Authority meeting were accepted by a roll call vote of 5-0.

**Review, discussion and possible action regarding the application for financial assistance submitted by International Community Health Services (ICHS).**

Mr. Govia summarized the application for financial assistance submitted by ICHS. ICHS was established in 1973 to provide quality primary health care. Deeply rooted in the Asian Pacific Island community, ICHS provides culturally and linguistically appropriate health and wellness services and promotes health equality for all. Services provided include medical, dental, behavioral health, vision, health education/screening and other services.

ICHS is applying for a loan in the amount of \$17,000,000. The proceeds of the loan will be used to refinance two existing Key Bank loans, finance tenant improvements for a new senior care facility located in South Seattle, and to pay issuance costs.

The financing will be structured as a Quick Loan-Private Placement. The lender will be Wells Fargo, National Association. The primary security will be a Deed of Trust. There are no Certificate of Need issues per ICHS 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 5.14% with a 10-year loan term and 20-year amortization. The depository bank will be Computershare Trust Company, National Association. ICHS anticipates that it will save approximately \$1,268,389 in interest costs over traditional taxable interest rate financing. Tax-exempt financing will contribute to their ability to remove or reduce barriers to care for uninsured patients.

Based on its review of the application, Orrick Herrington & Sutcliffe LLP, Authority's bond counsel, has determined that ICHS 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 the application.

Mr. Govia introduced Ms. Nomura, CEO of ICHS and Mr. Shahbazian, CFO of ICHS, who summarized the services provided by ICHS.

In response to Mr. Jacobs request for patient statistical breakdown data for the last three years, Ms. Nomura provided the data for 2023. In 2023 ICHS served approximately 32,000 unduplicated patients, resulting in 26,000 medical care encounters, 15,000 dental care encounters, and 2,000 behavioral health care encounters. Ms. Nomura noted that they are seeing a slight decrease in patients served as compared to Pre-COVID patient numbers. ICHS was challenged during the COVID outbreak and patient number decreased significantly. Ms. Nomura was happy to note that their patient numbers are steadily climbing.

In response to Mr. Jacobs inquiry regarding the estimated number of new patients to be served with this project, Ms. Nomura responded by stating that the new clinic will be expanding an existing PACE program for the elders which provides all-inclusive care. ICHS currently has approximately 100 patients participating in this program and expects to expand to 400 patients with the new clinic. The need for these services is great in the communities they serve. Ms. Nomura also noted that ICHS is very involved in the local community and have the ability to provide mobile care for those patients unable to get to a local clinic.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, the supplication for financial assistance submitted by International Community Health Services was accepted by a 5-0 roll call vote.

**Review, discussion and possible action regarding the adoption of Resolution No. 2024-01 approving the application for financial assistance and authorizing the issuance and sale of a bond for the benefit of Columbia Valley Community Health (CVCH).**

Mr. Govia summarized Resolution No. 2024-01 which, if adopted would approve the application for financial assistance submitted by CVCH and authorize the issuance and sale of a bond in a principal amount not-to-exceed \$15,000,000. The proceeds of the loan will be used to fund the construction of a new outpatient behavioral health therapy clinic in East Wenatchee, Washington.

The financing will be structured as a Direct Placement and the lender is Wells Fargo Bank, National Association. The primary security is a deed of trust. There are no Certificate of Need issues per the Department of Health. Feasibility has been determined by the lender. A TEFRA hearing was held on January 26, 2024 at which no individuals testified for or against the project. The interest rate is variable estimated at 6.12199% as of March 5, 2024. The loan has a term of 10-years and a 20-year amortization. The depository bank is Wells Fargo Bank, National Association. CVCH anticipated a savings of approximately \$1,415,472 in interest costs over traditional taxable interest rate financing over the term of the loan.

Mr. Govia introduced Ms. Jacobsen from Hillis Clark Martin & Peterson P.S., serving as Authority's bond counsel for this transaction. Ms. Jacobsen 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. 2024-01 for the benefit of Columbia Valley Community Health.

Mr. Govia introduced Mr. Romine, CFO of CVCH, who thanked the Authority for its continued support.

In response to Lieutenant Governor Heck's inquiry regarding the high cost per square foot for the new clinic and whether or not it includes land acquisition, Mr. Romine stated that land is not included in the cost per square foot. CVCH already owns the land and the breakdown of cost per square foot also includes equipment, furniture, etc. Mr. Romine also noted that there are higher construction costs associated with the construction of behavioral health clinics.

In response to Dr. Shah's inquiry regarding the inclusion and expansion of tele-health options with this project, Mr. Romine stated that they currently provide tele-health options and hope to expand the program by recruiting additional physicians and staff.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Lieutenant Governor Heck, Resolution No. 2024-01 was adopted by a 5-0 roll call vote.

### **Review, discussion and possible action regarding the Proposed Executive Director Search Process.**

Ms. Murr recently announced her retirement to be effective July 31, 2024. In order to comply with the Open Public Meetings Act, the Authority received guidance from the Attorney General's office regarding their recommended process to fill vacant positions by public agency governing boards. A motion is necessary to approve this recommendation.

The proposed search process includes:

- Advertising in key areas where potential candidates with relevant experience would see announcement
- Evaluation of applicants by a review committee consisting of
  - Mr. Jacobs, Public Board Member
  - Ms. James, Assistant Attorney General
  - Ms. Frye, Authority Staff
  - Mr. Gottlieb, Bond Counsel
  - Ms. Helmlinger, Bond Counsel
- Interview qualified applicants
- Background and reference checks
- Additional interviews, if necessary
- Committee ranking
- Authority Board review and interviews as necessary at the June 2024 Board Meeting
- Offer – following board review and approval.

Mr. Schumacher inquired about the number of final candidates that will be brought forward to the board for review. Ms. Murr agreed with Mr. Schumacher that more than one candidate may

be presented, depending on the quality of the candidates. Lieutenant Governor Heck suggested that presentation of three or fewer candidates for board consideration would be better than a sole candidate being recommended by the committee for board review. Lieutenant Governor Heck reiterated that board involvement is crucial. In response, Mr. Jacobs confirmed he is on the review committee and will be representing the interests of the board. Mr. Jacobs asked for suggestions from the board that they would like to have included as part of the applicant process. In response, Ms. Murr confirmed she will amend the process to include additional applicants being presented to the board for final review.

There being no further discussion, upon motion by Mr. Jacobs, seconded by Dr. Shah, the Proposed Search Process for WHCFA Executive Director was approved by a 5-0 roll call vote.

### **Executive Director's Report**

Ms. Murr 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 2:03 p.m.

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Steve Jacobs, Secretary