



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

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Insurance Commissioner

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Insurance Commissioner's

Designee

Charles Malone

Secretary

Department of Health

Umair A. Shah

Public Member

Steven R. Jacobs

Executive Director

Shannon Govia

**Washington Health Care Facilities Authority
Special Board Meeting
410 11th Avenue S.E., Suite 201
Olympia, Washington 98504
Thursday, September 12, 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:

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

Authority Staff Present:

Shannon Govia, Executive Director
Ashlee Frye, Assistant Executive Director and Chief Financial Officer
Danni Miller, Operations Director

Others Present:

Stacia Hollar, 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
Florien Bouwmeester, Financial Advisor, PFM Financial Advisors LLC, by conference speakerphone
Dallas Roberts, Chief of Staff, Office of the Lieutenant Governor, by conference speakerphone

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

Review, discussion and possible action regarding the Minutes from the July 30, 2024 Authority Board Meeting.

Upon motion by Mr. Jacobs and seconded by Mr. Malone, the minutes of the July 30, 2024 Authority meeting were unanimously accepted.

Review, discussion and possible action regarding the ratification of the Authority's D&O Liability Insurance Coverage annual renewal.

Mr. Govia described the coverage provided by AIG Specialty Insurance Company (primary), Markel American Insurance Company (excess), Kinsale Insurance Company (excess) and Indian Harbor Insurance Company (excess) for the Authority's public officials and employment practices liability insurance, and the decision to renew such coverage for another one-year term. This year's renewal includes nine new endorsements with were reviewed by Mr. Govia and Mr. Malone. Mr. Govia explained the endorsements as follows:

Several endorsements pertain to refining and adding Cyber exclusions likely due to the increase in cyber-attacks over the past years. Mr. Govia stated that the Authority has secured coverage for a separate Cyber Security insurance policy. In addition, the AIG policy contains a Front/Back Pay co-insurance endorsement; Markel policy contains a Broad Cyber Exclusion endorsement; Kinsale policy contains an amendment to the "Extended Reporting Period", Biometric Information Privacy Laws Exclusion, and a PFAS exclusion; and Indian Harbor policy contains a Consumer Protection Laws Exclusion endorsement.

The total annual premium inclusive of taxes and fees is \$57,270.88, which is \$239.72 less than last year's premium.

In response to Dr. Shah's inquiry regarding the PFAS exclusion and the liability for chemicals found on a project site, Mr. Malone stated that the PFAS exclusion is standard for this type of policy. Mr. Malone went on to explain that general contractors and borrowers purchase their own insurance policy as it pertains to chemicals on site. There is no legal requirement for the Authority to monitor this type of insurance coverage at the contractor level.

Upon motion by Mr. Malone, seconded by Dr. Shah, the renewal of the Authority's D&O Liability Insurance Coverage was ratified by a roll call vote of 4-0.

Executive Director's Report.

Mr. Govia reviewed 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 1:21 p.m.

Steve Jacobs, Secretary