

# MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904

[www.marinhealthcare.org](http://www.marinhealthcare.org)

Telephone: 415-464-2090

[info@marinhealthcare.org](mailto:info@marinhealthcare.org)

Fax: 415-464-2094

**TUESDAY, OCTOBER 8, 2024**

**BOARD OF DIRECTORS**

**5:30 PM: REGULAR OPEN MEETING**

## **Board of Directors:**

**Chair:** Edward Alfrey, MD (Div. 5)  
**Vice Chair:** Ann Sparkman, RN/BSN, JD (Div. 2)  
**Secretary:** Jennifer Rienks, PhD (Div. 4)  
**Directors:** Brian Su, MD (Div. 3)  
Samantha Ramirez, BSW (Div. 1)

## **Staff:**

David Klein, MD, MBA, CEO  
Eric Brettner, CFO  
Colin Leary, General Counsel  
Tricia Lee, Executive Assistant

## **Location:**

MarinHealth Medical Center  
Conference Center  
250 Bon Air Road, Greenbrae CA

## **Public option: Zoom video:**

<https://mymarinhealth.zoom.us/join>

Meeting ID: **987 7245 6255**

Passcode: **156223**

Or via Zoom telephone: 1-669-900-9128

## **AGENDA**

	<b><u>Presenter</u></b>	<b><u>Tab #</u></b>
<b><u>5:30 PM: REGULAR OPEN MEETING</u></b>		
1. Call to Order and Roll Call	<i>Alfrey</i>	
2. General Public Comment <i>Any member of the audience may make statements regarding any items NOT on the agenda. Statements are limited to a maximum of three (3) minutes. Please state and spell your name if you wish it to be recorded in the minutes.</i>	<i>Alfrey</i>	
3. Approve Agenda (action)	<i>Alfrey</i>	
4. Approve Minutes of the Regular Meeting of September 10, 2024 (action)	<i>Alfrey</i>	#1
5. Bloom Energy Borrowing	<i>Klein/ Brettner</i>	#2
6. MHD Board of Directors Resolution No. 2024-05 Approving MarinHealth Medical Center Loan from Bank of America in connection with Bloom Energy Financing (action)	<i>Klein/Brettner</i>	#3
7. Healthcare Advocacy and Emerging Challenges and Trends	<i>Klein</i>	
8. Committee Reports		
A. Finance & Audit Committee ( <i>did not meet</i> )	<i>Su</i>	
B. Lease, Building, Education & Outreach Committee ( <i>met Sept. 30</i> )	<i>Rienks</i>	

The agenda for the meeting will be posted and distributed at least 72 hours prior to the meeting. In compliance with the Americans with Disabilities Act, if you require accommodations to participate in a District meeting please contact the District office at 415-464-2090 (voice) or 415-464-2094 (fax) at least 48 hours prior to the meeting. Meetings open to the public are recorded and the recordings are posted on the District web site.

# MARIN HEALTHCARE DISTRICT

100-B Drake's Landing Road, Suite 250, Greenbrae, CA 94904

[www.marinhealthcare.org](http://www.marinhealthcare.org)

Telephone: 415-464-2090

[info@marinhealthcare.org](mailto:info@marinhealthcare.org)

Fax: 415-464-2094

**TUESDAY, OCTOBER 8, 2024**

**BOARD OF DIRECTORS**

**5:30 PM: REGULAR OPEN MEETING**

9. Reports

A. District CEO's Report

*Klein*

B. Hospital CEO's Report

*Klein*

C. Chair's and Board Members' Reports

*All*

10. Agenda Suggestions for Future Meetings

*All*

11. Adjournment of Regular Meeting

*Alfrey*

*Next Regular Meeting: Tuesday, November 13, 2024 @ 5:30 p.m.*

**Tab 1**

**MARIN HEALTHCARE DISTRICT  
BOARD OF DIRECTORS**

**REGULAR MEETING**

**Tuesday, September 10, 2024  
MarinHealth Medical Center  
Conference Center**

**MINUTES**

**1. Call to Order and Roll Call**

Chair Alfrey called the Regular Meeting to order at 5:30 pm.

*Board members present:* Chair Edward Alfrey, MD; Vice Chair Brian Su, MD; Secretary Jennifer Rienks, PhD (via Zoom); Ann Sparkman, RN/BSN, JD; Samantha Ramirez, BSW

*Staff present:* David Klein, MD, CEO; Eric Brettner, CFO; Colin Leary, General Counsel; Tricia Lee, EA

**2. General Public Comment**

There was no public comment.

**3. Approve Agenda**

Ms. Sparkman moved to approve the agenda as presented. Ms. Ramirez seconded. **Vote: all ayes.**

**4. Approve Minutes of the Regular Meeting of August 13, 2024**

Dr. Su moved to approve the minutes as presented with minor corrections. Ms. Sparkman seconded. **Vote: all ayes.**

**5. Review and Approve Designation of Applicant's Agent Resolution for Non-State Agencies**

Resolution to approve designation of applicant's agent for non-state agencies as it relates to FEMA funding. Resolution was presented (Tab #2). Chair Alfrey asked for a motion to approve, Dr. Su moved to approve the Resolution. Ms. Sparkman seconded. **Vote: all ayes**

**6. Review and Approve Resolution #2024-04 Resolution Honoring Dr. Matthew Willis**

Dr. Alfrey presented the Resolution 2024-04 which honors Dr. Willis for his extraordinary service and leadership (Tab #3). The board express their heartfelt appreciation for Dr. Willis'

continued dedication to advancing public health and ensuring the safety and well-being of Marin County residents while serving as the Public Health Officer.

Dr. Willis expressed gratitude towards Marin Healthcare District and MarinHealth Medical Center for their outstanding partnership in achieving shared health and well-being goals.

Chair Alfrey asked for a motion to approve, Ms. Rienks moved to approve the Resolution. Ms. Sparkman seconded. **Vote: all ayes**

#### **7. Healthcare Advocacy and Emerging Challenges and Trends**

Dr. Klein provided an update on SB 977 which focuses on increasing penalties for assault and battery against healthcare workers. The bill has been delivered to the governor's desk without amendments.

Assembly Bill 1778, pertains to electric bike safety, primarily impacting Marin County. The bill is also pending the governor's signature, with local county authorities expected to implement regulations once signed.

Dr. Klein provided an update to Proposition 35, which aims to protect medical access by addressing tax regulations and health insurance. This proposition is still progressing through the legislative process.

Dr. Klein also provided an update to SB 1432, sponsored by the California Hospital Association (CHA), the bill seeks to extend the timeline for hospitals to comply with the 2030 seismic construction mandate by up to five years. It has passed the legislature and is now awaiting the governor's approval.

Dr. Klein provided an update on the Rural Healthcare Bill. This bill, supports critical access hospitals in financial distress, has passed through legislature. A technical advisory group has been established under the Department of Healthcare Services to recommend strategies for stabilizing rural healthcare services.

#### **8. Committee Reports**

##### *A. Finance & Audit Committee*

Finance and Audit Committee did not meet.

B. *Lease, Building, Education and Outreach Committee*

Ms. Rienks provided an update on upcoming and past events.

- End-Of-Life Planning Seminar: Recently held and highly successful, with 161 attendees participating both in person and online. There was a strong interest in hosting a seminar on assisted death laws in the future.
- Hypertension Seminar: Scheduled for September 24th. Registration is high, with 82 attendees confirmed so far.
- Health Fair: Scheduled for November 2nd in partnership with the Marin City Health and Wellness Center.
- Community Workers Day: Tentatively planned for September, with a date to be confirmed.
- Men's and Women's Health Fair: scheduled for November 13th.
- Careers in Medicine: Scheduled for January 28th. Local schools are actively engaged, and transportation arrangements are in place.

9. **Reports**

A. *Hospital and District CEO's Report*

Dr. Klein reported the hospital has experienced increase in volume, with high census numbers and emergency department visits over the past few weeks.

Dr. Klein reported COS (California Ortho and Spine) physical therapy group joined MarinHealth.

The Novato Imaging Center is now fully operational and experiencing high patient volume.

Dr. Klein reported the Petaluma Hub is scheduled to open for patient care in early December, with community events planned in November to celebrate its launch.

Dr. Klein reported on the recruitment efforts. Recruitment is underway for two new cardiac surgeons, a general surgeon, trauma surgeon, and an orthopedic joint surgeon. Process to begin to recruit new Vice President of Medical Affairs and Medical Network staff.

Dr. Klein reported all MRIs are now functional. The MRI magnet on South Eliseo will be replaced in the coming months.

The nuclear medicine camera (spec CT) is nearing licensure and operational readiness.

Dr. Klein shared the innovation and artificial intelligence task force remains active, exploring generative AI and other innovations for the organization.

The enhanced visitor and weapons management systems are in the final stages of implementation.

Dr. Klein reported the hospital has gone 400 days without a serious patient safety event.

Dr. Klein noted continuous improvement has been observed in patient experience scores, which will be further detailed in the next quarterly report.

Dr. Klein reported a recent visit from Fitch Rating Agency was very positive. The team conducted an on-site tour of the hospital, showcasing the facility and its operations.

Dr. Klein reported the New Grad Program is expanding, with 85+ new grad nurses hired and a reduced reliance on travel nurses. Imaging remains an area where travelers are still utilized, but overall usage is significantly down compared to 2020.

Dr. Klein shared Dr. Alan Conway was featured in a segment on CBS News for his use of AI in vascular surgery, showcasing the hospital's hybrid room and innovative capabilities.

*B. Chair's and Board Members' Reports.*

Ms. Ramirez shared her appreciation for the recent public events held at Pickleweed park. While attendance was lower than expected, the quality of interactions and feedback received was highly valuable.

Ms. Ramirez also highlighted her gratitude for the volunteers who consistently demonstrate dedication to the community.

Dr. Alfrey expressed the importance of the board's involvement in health fairs and community events. He noted that interventions at these events have led to early diagnosis and improved quality of life for community members. The board's role extends beyond clinical settings and contributes to overall health and well-being in the community.

Dr. Alfrey also recognized the contributions of volunteers who have been crucial in engaging the community during health fairs. He emphasized that these efforts save lives by identifying health issues early, educating the public, and connecting individuals to healthcare resources.

**10. Agenda Suggestions for Future Meetings**

There were no further suggestions.

**11. Adjournment of Regular Meeting**

Chair Alfrey adjourned the meeting at 6:08 pm.

## Tab 2





**marinhealth**<sup>SM</sup>

## **2024 Bloom Energy Financing**

*October 2024*

# Proposed of up to \$15M Borrowing For Bloom Energy Project

- We had previously brought the Bloom Energy Project to the board for discussion
- At that time we were exploring a Shared Savings Program to Finance
- That Option proved to be less than optimal
  - The Partner required large pay-out even if the project didn't go forward
  - Required down payment of 25% of project or \$3.6M
  - They would retain the tax of credit of \$5.0M
  - The remaining amount and the shared savings worked out to interest rate exceeding 12%
- We explored options with Bank of America to finance the project
  - They are willing to Finance 100% of the project
  - The interest rate expected to be less than 6%. Saving \$6.3M in financing costs
  - We can make a partial pay down when we receive the tax credit with no pre-payment penalty
  - We are able to take the money in two tranches - \$3M in November 2024 and the remaining \$11.5M in June 2025
  - We can use the \$5.0M from tax credit to reduce the principle on the loan down to \$10M
  - They are able to provide an interest only option for the first 12 to 18 months (under review/negotiation at this time)
- Allows MarinHealth to retain the 100% of savings and will be debt free after year 10 - \$8.6M benefit

# Proposed \$15M Key Considerations

- Proposed borrowing of up to \$15M taxable
- Purpose/Uses:
  - Fund Bloom Energy project of \$14.5
  - Anticipated savings of \$34.7M over 15 years
  - Allow MarinHealth to retain the savings from Bloom Energy
- Proposed structure:
  - 10 year loan
  - Able to pay down with tax credit without prepayment penalty
  - Interest only for initial period (12 to 18 months)
  - Interest rate below 6% (rates will vary depending upon market conditions at time of closing)
  - Funds will go into escrow account to fund project as invoices paid
  - Use tax credit of \$5.0M to reduce principle amount
- New Debt Service of \$1.3M will be offset by average energy savings of \$2.3M
- Impact on debt ratings – Do not anticipate any impact on bond ratings

# Proposed \$15M Taxable Borrowing – Impact on Key Metrics

				FY 2024 projected	2024 projected w new debt
Debt Service Coverage				2.18	2.16
MADS				2.18	1.98
Debt to Capitalization				58%	59%

# Time Line

- High level time line:
  - Negotiating Bloom contract with anticipated signature date of 11/1/2024
  - First payment of approximately \$2M due at that time
  - Negotiating with BofA to have loan in place by 11/1/2024
    - Initial escrow funding of \$3M in November 2024
    - Remaining escrow funding of \$11.5M in June 2025
    - Funds will be drawn as invoices paid
  - Bloom project anticipated to come on line approximately March 2026

# Recommendations and Approvals

- Management recommends approval of the proposed borrowing
- District approval, as General Member of MarinHealth Medical Center, is required under Section 10.1(d) of the hospital's bylaws.

# QUESTIONS?

## **Tab 3**





**MARIN HEALTHCARE DISTRICT BOARD OF DIRECTORS  
RESOLUTION NO 2024-05**

**RESOLUTION APPROVING MARINHEALTH MEDICAL CENTER LOAN FROM BANK OF  
AMERICA IN CONNECTION WITH BLOOM ENERGY FINANCING**

WHEREAS, Marin General Hospital dba MarinHealth Medical Center (“Hospital”), as borrower, and Bank of America (“Bank”), as lender, are parties to that certain Master Loan and Security Agreement dated as of August 2, 2018 (as amended, the “Master Agreement”), pursuant to which Bank and Hospital set forth the terms and conditions for equipment financings from time, each such financing to be set forth in a separate note to be executed by Bank and Hospital (“Note”);

WHEREAS, Hospital management has recommended a 10-year Note in an amount not to exceed \$15 million in order to finance its procurement of an energy production system from Bloom Energy as part of Hospital’s energy strategy, as presented to the Marin Healthcare District (“District”) in its Regular Board Meeting on October 8, 2024 (the “Bank Financing”);

WHEREAS, pursuant to Section 10.1(d) of the Hospital Bylaws, the District, as the general member of Hospital, must approve, among things, any financing such as the Bank Financing that would cause Hospital’s debt to capitalization ratio to exceed 50%;

WHEREAS, the District Board of Directors has determined that it is in the best interest of Hospital, the District, and the communities they serve to approve the Bank Financing.

NOW, THEREFORE, BE IT RESOLVED by the District Board of Directors that (i) the above recitals are true and correct, and incorporated into this Resolution, and (ii) the Bank Financing and any transaction documents or related documentation necessary to accomplish the Bank Financing are hereby approved pursuant to Section 10.1(d) of the Hospital Bylaws.

REVIEWED, APPROVED, AND ADOPTED at a Regular Board Meeting held on October 8, 2024, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

---

Edward Alfrey, MD  
Chair of the Board

---

Jennifer Rienks, PhD  
Secretary of the Board