

The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on July 22, 2025, in-person and by Teleconference via Zoom. Director Blowers called the meeting to order at 12:37 p.m.

CALL TO ORDER

Directors present: Russell Blowers; Pauline Weaver; Steven Chan, D.D.S.

ROLL CALL

Directors Absent: Sue Querner (Director Querner advised she would be late for the meeting. She arrived at 1:04p.m.); Carol Dutra-Vernaci, (Director Vernaci provided notification of her absence for this meeting)

Also present: Kimberly Hartz, Chief Executive Officer; Tina Nunez, Senior Vice President & Chief Administrative Officer; Ajay Sial, Interim Senior Vice President & CFO; Walter Choto, Vice President of Operations; Paul Kozachenko, Attorney; and Diana Venegas, Recording Secretary

Guests present: Daniel Nardoni, Chief Financial Officer, Washington Health Medical Group (WHMG)

A motion was made by Director Weaver, seconded by Director Chan, to approve the minutes of the meeting of May 15, 2025.

***CONSIDERATION
OF MINUTES OF
May 15, 2025***

Roll call was taken:

- Russell Blowers – aye
- Pauline Weaver – aye
- Carol Dutra-Vernaci – absent
- Sue Querner – absent
- Steven Chan, D.D.S. – aye

The motion passed.

Ms. Venegas noted that there were no written or oral public communications.

COMMUNICATIONS

CEO Report

***CHIEF EXECUTIVE
OFFICER REPORT***

Parcel Tax Update

The citizen's committee collected over 32,000 signautes. The District needed 19,100 valid signatures to place the initiative on the November ballot. The signatures have been validated by the County. A recommendation will be presented to the District Board to put the Parcel Tax on the ballot in November. Revenue from a parcel tax would help Washington Health fund disaster preparedness and help to purchase equipment and technology for the trauma center, operating rooms and other clinical areas of the health system.

Environment of Healthcare and Health System

The recent HR.1 bill that passed has the largest cuts to hospitals impacting reimbursements for Medicaid. HR.1 is cutting Medi-Cal reimbursement by 1 trillion dollars over the next 10 years. This will impact us directly from 13% to 30%. Over 20% of our payor mix is Medi-Cal. Also, those currently on Medi-Cal will have more onerous requirements so the result will be that more individuals will fall off of Medi-Cal insurance and likely become uninsured. There is a lot of uncertainty ahead and we will need to focus on areas to grow revenue and become more efficient.

Facility Master Plan and Construction Updates

Cancer Center Build Out

Construction is underway and on schedule. The estimated substantial completion is September 2025. The Open House is scheduled for December and the center is scheduled to be open to patients in January 2026.

Fremont Office Center (FOC)

Phase I of the FOC project is underway. This includes primary care, pediatrics, women's health and a lab. Design drawings are complete and pending a cost estimate. Phase I is estimated to be completed at the end of 2026.

Urgent Care

The District Board approved the construction of a new Urgent Care that will be located in the Washington Properties Shopping Center. Design drawings are currently being reviewed by the city. Estimated opening is December 2025.

Financial Report

Ajay Sial presented the DEVCO Financial Report for May 2025.

Director Blowers adjourned the meeting to a closed session at 1:10 p.m.

Director Blowers reconvened the meeting to open session at 2:28 p.m.

Diana Venegas, Recording Secretary, reported that during the closed session the Board approved the closed session minutes of May 15, 2025 by unanimous vote of all Directors present.

Ms. Nunez and Mr. Nardoni presented the Washington Health Medical Group Budget Estimate for FY 2025/2026.

The WHMG Budget Estimate for the fiscal year 2025/2026 budget included Total Operating Revenue of \$65,593,376 and Total Expenses of \$100,534,113 for a budgeted Net Loss of (\$34,940,737). The Capital Budget is estimated at \$343,055.

The WHMG Budget Estimate was included in the District's consolidated budget which was approved on June 11, 2025. Director Chan moved to ratify the WHMG Budget Estimate for fiscal year 2025/2026. Director Weaver seconded the motion.

Roll call was taken:

- Russell Blowers – aye
- Pauline Weaver – aye
- Carol Dutra-Vernaci - absent
- Sue Querner - aye
- Steven Chan, D.D.S. – aye

The motion passed.

Mr. Choto presented the Washington Township Hospital Development Corporation Budget Estimate for 2025/2026.

The Washington Township Development Corporation (DEVCO) Budget Estimate for fiscal year 2025/2026 included Total Operating Revenue of \$59,766,602 and Total Expenses of \$54,125,118 for a budgeted Net Income of \$1,656,437. The Capital Budget is estimated at \$893,320.

The DEVCO Budget Estimate was included in the District's consolidated budget which was approved on June 11, 2025. Director Chan moved to ratify the DEVCO Budget Estimate for fiscal year 2025/2026. Director Weaver seconded the motion.

***FINANCIAL
REPORT***

***ADJOURN TO
CLOSED SESSION***

***RECONVENE TO
OPEN SESSION***

***ACTION ITEM:
Acceptance of the
Washington Health
Medical Group
Budget Estimate for
Fiscal Year 2025/2026***

***ACTION ITEM:
Acceptance of the
Washington Township
Development
Corporation Budget
Estimate for Fiscal
Year 2025/2026***

Roll call was taken:

- Russell Blowers – aye
- Pauline Weaver – aye
- Carol Dutra-Vernaci - absent
- Sue Querner - aye
- Steven Chan, D.D.S. – aye

The motion passed.

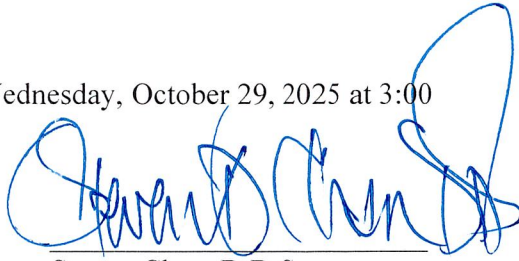
There being no further business, Director Blowers adjourned the meeting at 2:31 p.m.

ADJOURNMENT

The next regularly scheduled meeting is Wednesday, October 29, 2025 at 3:00 p.m.



Russell Blowers
President, Board of Directors
Washington Township Hospital
Development Corporation



Steven Chan, D.D.S.
Secretary, Board of Directors
Washington Township Hospital
Development Corporation