



May 12, 2025

MEETING NOTICE

The meeting of the Washington Township Hospital Development Corporation Board of Directors will be held on Thursday, May 15, 2025 at 11:00 A.M. The meeting will take place in the Oncology Conference Room #243 of Washington West, 2500 Mowry Avenue, Fremont, California. The meeting is also accessible by Zoom.

Join in-person: 2500 Mowry Avenue, Fremont, CA 94538, 2nd Floor, Oncology Conference Room #243

Join the Zoom Meeting:

<https://zoom.us/j/92118919279?pwd=EROpPN1UtBYawUIRVITMp4VAjuZILc.1>

Password: 052637

Join by Telephone: US: +1 213 338 8477

Meeting ID: 921 1891 9279

Password: 052637

Portions of this meeting may be held in closed session in accordance with Sections of California Health & Safety Code and Sections of the California Government Code.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7839. Notification of two working days prior to the meeting will enable the Recording Secretary to make reasonable arrangements to ensure accessibility to this meeting.

This notice is posted in pursuant to Section 54954 of the Government Code.

Diana Venegas

Diana Venegas

Recording Secretary



Certificate of Posting

I certify that on May 12, 2025, I posted a copy of the foregoing Meeting Notice near the regular meeting place of the Board of Directors of the Washington Township Hospital Development Corporation, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Fremont, California, on May 12, 2025.

Diana Venegas

Diana Venegas, Recording Secretary



BOARD OF DIRECTORS' MEETING
WASHINGTON TOWNSHIP HOSPITAL DEVELOPMENT CORPORATION
Thursday, May 15, 2025 – 11:00 A.M.
2500 Mowry Avenue, Fremont, CA 94538
2nd Floor, Oncology Conference Room #243 and via Zoom
<https://zoom.us/j/92118919279?pwd=EROpPN1UtBYawUIRVITMp4VAjuZILc.1>
Dial: US: +1 213 338 8477
Meeting ID: 921 1891 9279 / Password: 052637
Board Meeting Agenda and Packet may be found at:
[DEVCO 2025 | Washington Health](#)

AGENDA

PRESENTED BY:

- | | | |
|-------------|--|--|
| I. | CALL TO ORDER | <i>Russell Blowers</i>
<i>Board President</i> |
| II. | ROLL CALL | <i>Diana Venegas</i>
<i>Recording Secretary</i> |
| III. | CONSIDERATION OF MINUTES OF
February 14, 2025 | <i>Motion Required</i> |
| IV. | COMMUNICATIONS

A. Oral
B. Written | <i>Russell Blowers</i>
<i>Board President</i> |
| V. | EDUCATION SESSION
A. Ethics Training | <i>Kristin Ferguson</i>
<i>VP & Chief
Compliance and
Risk Officer</i> |

VI. REPORTS**A. Chief Executive Report**

*Kimberly Hartz
Chief Executive
Officer*

B. Financial Report

*Ajay Sial
Interim SVP & Chief
Financial Officer*

VII. ACTION ITEM

Motion Required

A. Consideration of Resolution No. 65

Approval of Sale of Class A Membership
Units in Peninsula Surgery Center, LLC to
Erik McDonald, M.D.

VIII. ADJOURN TO CLOSED SESSION

*Russell Blowers
Board President*

**A. Consideration of Closed Session Minutes of
February 14, 2025**

Motion Required

**B. Conference involving Trade Secrets pursuant to
Health & Safety Code section 32106**

- Strategic Planning

IX. RECONVENE TO OPEN SESSION

Report on *permissible actions* taken during Closed
Session

*Russell Blowers
Board President*

X. ADJOURNMENT

*Russell Blowers
Board President*



NEXT MEETING: FRIDAY, JULY 18, 2025 - 7:30 A.M. - 9:00 A.M.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the Recording Secretary at (510) 818-7839. Notification two working days prior to the meeting will enable the Recording Secretary to make reasonable arrangements to ensure accessibility to this meeting.

Washington Township Hospital Development Corporation

February 14, 2025

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The meeting of the Board of Directors of the Washington Township Hospital Development Corporation was held on February 14, 2025, in-person and by Teleconference via Zoom. Director Blowers called the meeting to order at 7:32 a.m.

CALL TO ORDER

Directors present: Russ Blowers; Pauline Weaver; Sue Querner;

ROLL CALL

Directors Absent:

Carol Dutra-Vernaci (Ms. Dutra-Vernaci joined the meeting at 7:38 am, see below)

Steven Chan, D.D.S (Dr. Chan was traveling and joined the meeting as guest)

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

Guests present: Donald Pipkin, Chief of Strategic Management; Jerri Randrup, Director of Marketing and Communications

A motion was made by Director Weaver, seconded by Director Querner, to approve the minutes of the meeting of November 15, 2024.

***CONSIDERATION
OF MINUTES OF
November 15, 2024***

Roll call was taken:

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

The motion passed.

Carol Dutra-Vernaci joined the meeting at 7:38 a.m.

Washington Health Brand and Mission, Vision and Values

***EDUCATION
SESSION***

Donald Pipkin and Jerri Randrup presented Washington Health's new brand and mission, vision and values.

Election of Officers

***ELECTION OF
OFFICERS***

Director Weaver moved for the following slate of Board officers for the calendar year 2025:

- President: Russ Blowers
- 1st Vice President: Pauline Weaver
- 2nd Vice President: Carol Dutra-Vernaci
- Treasurer: Sue Querner

- Secretary: Steven Chan, D.D.S.

Director Dutra-Vernaci seconded the motion.

Roll call was taken:

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

The motion passed.

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

COMMUNICATIONS

Facility Master Plan and Construction Updates

***CHIEF EXECUTIVE
OFFICER REPORT***

Kimberly Hartz presented the Facility Master Plan and Construction Update.

Morris Hyman Pavilion Infill Project

Construction is under way for the Morris Hyman Pavilion Infill Project. This will include moving imaging, OR, pharmacy and other critical services. Construction began in February 2025 with substantial completion estimated in August 2026.

New Patient Tower

The New Patient Tower, which will be located adjacent to the Morris Hyman Critical Care Pavilion, will service Maternal Child Health, NICU, Medical-Surgical Units, Laboratory, Ancillary Services, Cath Lab/IR Suite and a Cafeteria. This is still in the design phase. Completion is expected around 2030 to align with seismic deadline requirements.

Warm Springs Outpatient Center in Partnership with UCSF Health

Services available at the Warm Springs Outpatient Center, in partnership with UCSF Health, will include Primary Care, Specialty Care, Pediatrics, Imaging and Lab, Retail Pharmacy, Advanced Imaging, and an Ambulatory Surgery Center (Phase 2).

Urgent Care

The District Board approved a new Urgent Care Service that will be located in Washington Properties Shopping Center. Estimated opening is Fall 2025.

Cancer Center Build Out

Construction is underway and on schedule. The estimated substantial completion is September 2025.

Phase 1 Fremont Office Center

An architect has been chosen and the build out is estimated to start in the summer of 2025, with a completion date by end of 2026.

Expanded Services – Trauma, Robotics, Aquablation

Trauma Center

Ms. Hartz reported on the activity of the Trauma Center during the time period of July-December 2024.

Ms. Hartz reported on the Community Education and Awareness Campaigns which emphasized injury prevention.

Clinical Services Update

Robotics

Washington Health recently began using in the DaVinci XI Surgical System that provides advanced precision to surgeons and better outcomes for patients. The DaVinci Xi Surgical System supports urology, general surgery, gynecology and thoracic surgery.

Washington Health began providing AquaBeam Therapy as part of its comprehensive urology services. The AquaBeam Robotic System supports aquablation treatment for benign prostatic hyperplasia (BPH). It is minimally invasive treatment that uses water delivered with robotic precision to remove prostate tissue.

Parcel Tax

Similar to every other health systems in the state, Washington Health has experienced challenging financial conditions since the pandemic. A citizen's committee has initiated a signature gathering drive to place a parcel tax measure on the November 2025 ballot for Washington Health. Revenue from a parcel tax would help Wahington Health to fund disaster preparedness and help to purchase equipment and technology in the trauma center, operating rooms and other clinical areas of the health system.

Financial Report

***FINANCIAL
REPORT***

Ajay Sial reviewed the DEVCO Financial Report for December 2024.

Director Weaver proposed the approval of Resolutions 61, 62, 63, and 64. These resolutions pertain to the replacement of Thomas McDonagh with Interim CFO Ajay Sial on various boards and bank accounts, following Mr. McDonagh's recent resignation. Director Vernaci seconded the motion.

***ACTION ITEM
MOTION
REQUIRED***

Roll call was taken:

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

The motion carried.

Director Blowers adjourned the meeting to a closed session at 9:10 a.m.

***ADJOURN TO
CLOSED SESSION***

Director Blowers reconvened the meeting to open session at 9:14 a.m. Diana Venegas, Recording Secretary, reported that during the closed session the Board approved the closed session minutes of November 15, 2024 by unanimous vote of all directors present.

***RECONVENE TO
OPEN SESSION***

There being no further business, Director Blowers adjourned the meeting at 9:15 a.m.

ADJOURNMENT

The next regularly scheduled meeting is Monday, April 21, 2025 at 7:30 a.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

**Washington Township Hospital
Development Corporation
Summary Income Statement
March 2025**

Current Month			
Actual	Budget	Favorable/(Unfavorable)	
		Variance	% Variance
2,379	2,233	146	6.5%
136	130	6	4.6%
2,515	2,363	152	6.4%
10,704,758	12,051,177	(1,346,419)	(11.2%)
1,010,376	957,285	53,091	5.5%
11,715,134	13,008,462	(1,293,328)	(9.9%)
6,919,352	7,447,659	528,307	7.1%
64.6%	61.8%	(2.8%)	
4,795,782	5,560,803	(765,021)	(13.8%)
1,247,788	1,189,232	(58,556)	(4.9%)
314,307	350,444	36,137	10.3%
1,206,813	1,176,794	(30,019)	(2.6%)
68,161	165,593	97,432	58.8%
446,964	432,087	(14,877)	(3.4%)
635,996	582,679	(53,317)	(9.2%)
27,552	39,808	12,256	30.8%
124,031	117,279	(6,752)	(5.8%)
276,685	262,273	(14,412)	(5.5%)
4,348,297	4,316,189	(32,108)	(0.7%)
447,485	1,244,614	(797,129)	(64.0%)
0	0	0	0.0%
447,485	1,244,614	(797,129)	(64.0%)
(279,580)	(611,062)	331,482	54.2%
167,905	633,552	(465,647)	(73.5%)

- (1) Visits
(2) Treatments & Procedures
(3) Total

- Gross Revenue
(4) Patient Revenue
(5) Other Revenue
(6) **Total Gross Revenue**

- Deductions
(7) **Total Deductions**
Contractual Percentage
(8) **Net Revenue**

- Expenses
(9) Salaries
(10) Benefits
(11) Supplies
(12) Professional Fees
(13) Purchased Services
(14) Depreciation and Amort
(15) Utilities
(16) Building Lease
(17) Other Expenses

- (18) **Total Expenses**
(19) **Net Operating Income/Loss**

Non-op Equity Earnings Revenue

- (31) Net Income (Loss) Before Minority Interest

- (20) **Minority Interest**

- (21) **Net Income/Loss**

Year - To - Date			
Actual	Budget	Favorable/(Unfavorable)	
		Variance	% Variance
19,960	19,317	643	3.3%
975	1,176	(201)	(17.1%)
20,935	20,493	442	2.2%
88,452,675	88,687,380	(234,705)	(0.3%)
8,240,551	8,284,300	(43,749)	(0.5%)
96,693,226	96,971,680	(278,454)	(0.3%)
54,901,368	53,486,579	(1,414,789)	(2.6%)
62.1%	60.3%	(1.8%)	
41,791,858	43,485,101	(1,693,243)	(3.9%)
10,819,602	10,510,974	(308,628)	(2.9%)
3,058,553	3,097,387	38,834	1.3%
9,150,102	8,932,163	(217,939)	(2.4%)
812,681	1,490,345	677,664	45.5%
3,822,910	3,641,087	(181,823)	(5.0%)
5,219,085	5,210,961	(8,124)	(0.2%)
252,504	358,273	105,769	29.5%
1,284,743	1,117,832	(166,911)	(14.9%)
2,658,813	2,431,757	(227,056)	(9.3%)
37,078,993	36,790,779	(288,214)	(0.8%)
4,712,865	6,694,322	(1,981,457)	(29.6%)
0	0	0	0.0%
4,712,865	6,694,322	(1,981,457)	(29.6%)
(2,587,236)	(3,777,513)	1,190,277	31.5%
2,125,630	2,916,809	(791,179)	(27.1%)

MEMORANDUM

Date: May 15, 2025

To: DEVCO Board of Directors

From: Kimberly Hartz, Chief Executive Officer

Subject: Approval of Sale of Class A Shares Peninsula Surgery Center, LLC to Erik McDonald, M.D.

In November 2019, the Washington Township Hospital Development Corporation (“DEVCO”) agreed to participate in the ownership and operation of an ambulatory surgery center (“ASC”) located at 350 Marine Parkway in Redwood City, California. The ASC is known as the “Peninsula Surgery Center.” The aim of establishing the ASC in Redwood City was to expand the operations of the Institute for Joint Restoration and Research (“IJRR”) and provide easier access for outpatients.

The IJRR opened its doors in 2012 as an inpatient service focused on total knee and hip replacements. Due to the quality of the program, the IJRR has attracted patients from beyond the normal service area of the District. Recently, the federal government has taken steps to mandate that more of these procedures be conducted on an outpatient basis by refusing to pay for them when performed on an inpatient basis.

The Peninsula Surgery Center is operated under the umbrella of two limited liability companies. One limited liability company manages the surgery center on a daily basis (the “Operating Company”). This entity is owned 51% by a holding company (which is controlled by DEVCO) and 49%, which equals 490 Class A Units, by Class A Members. The Class A Units were intended for qualified physician investors. To date, John T. Dearborn, M.D. has purchased 250 Class A Units. DEVCO retained 240 Class A Units with the intention of transferring its Class A Units to qualified physician investors as the Peninsula Surgery Center increased the number of physician participants.

Recently, Erik McDonald, M.D., joined Dr. Dearborn’s practice and actively performs procedures at the Peninsula Surgery Center. Dr. McDonald has expressed his desire to become one of the physician investors in the Operating Company. As described above, DEVCO acquired Class A Units specifically to sell them to qualified physician investors at the appropriate time.

Under the proposed transaction, DEVCO would sell 60 Class A Units to Erik McDonald, M.D., at a fair market value price of \$5,000 per share. The total purchase price amounts to \$300,000. The Board of Managers of the Peninsula Surgery Center has already approved the transaction and waived its right of first offer.

Recommended Action

It is recommended that the Board approve Resolution No. 65, which will authorize the Chief Executive Officer to execute a Purchase Agreement in a form satisfactory to the Chief Executive Officer for the sale and transfer of 60 Class A Units to Erik McDonald, M.D. at a fair market value price of \$5,000 per Class A Unit for a total purchase price of \$300,000.

RESOLUTION NO. 65

**RESOLUTION OF THE BOARD OF DIRECTORS OF WASHINGTON TOWNSHIP
HOSPITAL DEVELOPMENT CORPORATION TO AUTHORIZE THE CHIEF
EXECUTIVE OFFICER TO ENTER INTO A PURCHASE AGREEMENT FOR THE
SALE OF CLASS A MEMBERSHIP UNITS IN PENINSULA SURGERY CENTER,
LLC**

WHEREAS, Washington Township Hospital Development Corporation (“DEVCO”) owns 240 Class A Membership Units (“Class A Units”) in Peninsula Surgery Center, LLC, a California limited liability company, which owns and operates the Peninsula Surgery Center, an ambulatory surgery center located at 350 Marine Parkway, Redwood City, California.

WHEREAS, DEVCO acquired the 240 Class A Units in anticipation of later selling and transferring the Class A Units to qualified physician investors as additional physicians started performing procedures at the Peninsula Surgery Center;

WHEREAS, Erik McDonald, M.D., has joined the practice of John T. Dearborn, M.D., and is a qualified physician who desires to purchase 60 Class A Units from DEVCO at a fair market value price of \$5,000 per Class A Unit for a total purchase price of \$300,000.

WHEREAS, the Board finds that it is in the best interest of DEVCO to proceed with the sale of the 60 Class A Units to Erik McDonald, M.D.;

NOW, THEREFORE, be it resolved that:

1. The Chief Executive Officer is authorized to execute a Purchase Agreement in a form satisfactory to the Chief Executive Officer for the sale and transfer of 60 Class A Units to Erik McDonald, M.D., at a fair market value price of \$5,000 per Class A Unit for a total purchase price of \$300,000.

2. The Chief Executive Officer is authorized to take any and all further actions which, in the determination of the Chief Executive Officer, are necessary and proper to consummate the transaction described above.

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Passed and adopted by the Board of Directors of the Washington Township Hospital Development Corporation this _15_ day of May 2025 by the following vote:

AYES:

NOES:

ABSENT:

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

Steven Chan, DDS
Secretary, Board of Directors
Washington Township Hospital
Development Corporation