

**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS**

AGENDA

WEDNESDAY, APRIL 30, 2025

REGULAR SESSION 5:00 PM

**Held in Person at
Council Chambers
177 First Street West, Sonoma
and via Zoom Videoconferencing**

To participate via Zoom videoconferencing, use the link below:
<https://sonomavalleyhospital-org.zoom.us/j/96421290468?from=addon>

Meeting ID: 964 2129 0468

One tap mobile

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In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Whitney Reese, Board Clerk at wreese@sonomavalleyhospital.org at least 48 hours prior to the meeting.	RECOMMENDATION		
MISSION STATEMENT <i>The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>			
1. CALL TO ORDER	Wendy Lee Myatt		
2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.</i>			
3. BOARD CHAIR COMMENTS	Wendy Lee Myatt		
4. REPORT ON CLOSED SESSIONS: <ul style="list-style-type: none">4/17/25: 2:00pm4/23/25: 3:00pm5/1/25: 12:00pm	Wendy Lee Myatt		
5. CONSENT CALENDAR <ul style="list-style-type: none">a. BOD Minutes – 4.03.25b. Quality Committee Minutes – 03.26.25c. Policies & Proceduresd. Medical Staff Credentialing	Wendy Lee Myatt	Action	Pages <ul style="list-style-type: none">a. 3 - 5b. 6 - 7c. 8 - 9
6. 1206(B) CLINIC REPORT	Dawn Kuwahara	Inform	Pages <ul style="list-style-type: none">10 - 22
7. REQUEST FOR EMERGENCY APPROVAL: AC-1 UNIT REPLACEMENT	Ben Armfield	Action	Pages <ul style="list-style-type: none">23 - 35
8. ICU UPGRADE PROJECT CHANGE ORDER SUBMISSION: RIDEVIEW BUILDERS	Ben Armfield	Action	Pages <ul style="list-style-type: none">36 - 56

9. FINANCIALS FOR MONTH END MARCH 2025	<i>Ben Armfield</i>	Inform	Pages 57 - 64
10. SVHCD INVESTMENT POLICY	<i>Ed Case</i>	Action	Pages 65 - 69
11. COMMITTEE UPDATES <ul style="list-style-type: none"> Finance Committee Quarterly Update 	<i>Board of Directors</i> <i>Ed Case</i>	Inform	
12. BOARD COMMENTS	<i>Board of Directors</i>	Inform	
13. ADJOURN	<i>Wendy Lee Myatt</i>	Inform	

Note: To view this meeting, you may visit <http://sonomatv.org/> or YouTube.com.



**SONOMA VALLEY HEALTH CARE DISTRICT
BOARD OF DIRECTORS' REGULAR MEETING**

MINUTES

THURSDAY, APRIL 3, 2025

**HELD IN PERSON AT 177 FIRST STREET WEST, SONOMA,
AND VIA ZOOM TELECONFERENCE**

SONOMA VALLEY HOSPITAL BOARD MEMBERS		
1. Wendy Lee Myatt, Chair, Present 2. Denise M. Kalos, 1st Vice Chair, Present 3. Daniel Kittleson, DDS, 2nd Vice Chair, Present 4. Dennis B. Bloch, Secretary, Present 5. Ed Case, Treasurer, Present		
MISSION STATEMENT		
<i>The mission of SVHCD is to maintain, improve and restore the health of everyone in our community.</i>		
CLOSED SESSION 12:00PM		
Calif. Government Code §37606 and §37624.3: REPORT INVOLVING TRADE SECRET Discussion will concern: new service and/or program		
CLOSED SESSION 4:15PM		
Calif. Government Code §37606 and §37624.3: REPORT INVOLVING TRADE SECRET Discussion will concern: new service and/or program		
Calif. Government Code Section §54956.9: CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION		
Significant exposure to litigation pursuant to subdivision (b) of Section §54956.9: 5		
1. CALL TO ORDER	Wendy Lee Myatt	
Meeting called to order at 5:00pm.		
2. PUBLIC COMMENT	Wendy Lee Myatt	None
3. BOARD CHAIR COMMENTS	Wendy Lee Myatt	None
4. REPORT ON CLOSED SESSIONS:		
<ul style="list-style-type: none"> • 3/20/25: 8am • 4/3/25: 12pm & 4:15pm 		
6. CONSENT CALENDAR	Wendy Lee Myatt	Action
a. BOD Minutes – 3.06.25 b. Quality Committee Minutes – 02.26.25 c. Finance Committee Minutes – 02.25.25 d. Policies & Procedures e. Medical Staff Credentialing	MOTION: by Case to approve, 2 nd by Kalos. All in favor.	
6. BOYS & GIRLS CLUB	Cary Snowden	Inform
Snowden presented a comprehensive overview of the Club's current programs and priorities, highlighting key opportunities for partnership with the hospital. She emphasized their expanding mental health services, which now include on-site therapists at each location through partnerships with Petaluma People Services and Sonoma Valley Family Therapy, and noted a growing need for support related to trauma-informed care and recent immigration challenges. Snowden also shared interest in collaborating with the hospital on career pathway initiatives, particularly by introducing youth to healthcare professions through the Club's "Ready to Work" program. Additional health and wellness programming at the Club includes nutrition education, mindfulness, yoga, and discussions around implementing CPR certification for older youth. She welcomed ideas for future collaborations, especially those that promote mental and physical health for young people in the community.		
7. PATIENT CARE SERVICES ANNUAL REPORT	Jessica Winkler, DNP, RN, NEA-BC, CCRN	Inform

<p>Winkler presented the PCS Annual Report, highlighting departmental achievements, staff composition, and future goals. PCS represents 41% of the hospital workforce and includes emergency, surgical, and inpatient care teams. Winkler reported high staff expertise, with an average of 17 years of nursing experience and a strong culture of service, including veterans and community volunteers. In 2024, key clinical outcomes improved, including zero catheter- and central line-associated infections, reduced emergency department "left without being seen" rates, and more patients discharged to home rather than skilled nursing facilities - linked to the Age-Friendly Health System rollout. Patient satisfaction scores were consistently high. Staff development included mock codes, disaster drills, and education initiatives, with ongoing efforts in diversity, equity, and inclusion. For 2025, planned priorities include strengthening caregiver readiness, expanding age-friendly practices, advancing diversity and inclusion, improving veteran access and patient education, and enhancing clinical quality through targeted initiatives and community partnerships.</p>		
8. CMO REPORT	<i>Seric Cusick, MD (written)</i>	Inform
<p>Hennelly presented the CMO report. Hennelly welcomes back Dr. Scott Perryman, a general surgeon who has previously practiced at Sonoma Valley Hospital. He is now returning in a more active role to support general surgery coverage. Dr. Cusick is working on tightening the transfer process with Marin Health. Specifically, they are trialing an expedited transfer process for GI cases.</p>		
9. CEO REPORT	<i>John Hennelly</i>	Inform
<p>A strong candidate for the Chief Medical Officer position has completed final interviews, and an offer is expected soon. The candidate appears eager to accept, though their start date may be delayed due to the need for a California medical license. Phase 2 of the ICU renovation is underway, though some unexpected issues may require additional funding. The ODC project has experienced delays, and leadership plans to convene a group soon to discuss challenges and next steps.</p>		
10. LAB EQUIPMENT REPLACEMENT PROJECT	<i>John Hennelly</i>	Action
<p>Hennelly shared a request \$311k to replace two key lab machines that are old and starting to fail. The hospital plans to buy the equipment up front instead of paying per use, which is expected to save over \$900,000 over five years. The Finance Committee had asked for more details, which were added to this updated plan. The cost would be recovered by year two of the five-year contract. Board members supported the plan and appreciated the added detail, while also suggesting the hospital create a better system for tracking aging equipment to avoid last-minute replacements in the future.</p>		
MOTION: by xxxx to Case, 2 nd by Kittleson. All in favor.		
11. FY 2026 BUDGET ASSUMPTIONS	<i>Ben Armfield</i>	Inform
<p>Armfield presented the early stages of FY26 budget planning, noting that many factors like supply costs, revenue, and supplemental IGT funding remain uncertain. Initial forecasts and assumptions have been made, but much will evolve over the next month as leaders meet to dive into departmental details and refine projections. Armfield emphasized the fluid nature of the process and anticipated that some areas may require best guesses. Case recommended being conservative with cost assumptions, and Armfield agreed.</p>		
12. CAPITAL PROJECT TRACKER	<i>Ben Armfield</i>	Inform
<p>Armfield presented a new Capital Project Tracker aimed at giving the Board greater visibility into project status, costs, and comparisons to board-approved budgets. Bloch and others requested more detailed reporting by line item (e.g., design, construction, IT) to better track how closely projects align with original approvals, not just overall costs. They also discussed the proper use of contingency funds, agreeing that contingencies should cover unforeseen issues, not expand project scope. The Board requested clearer definitions, inclusion of change orders, and a broader capture of all major projects. Overall, the tracker was appreciated for improving transparency.</p>		
13. FINANCIALS FOR MONTH END FEBRUARY 2025	<i>Ben Armfield</i>	Inform
<p>Armfield presented the February 2025 financial report, noting another strong month with the Operating EBDA exceeding the budget by \$34,900. Operating revenues were 8% over budget, primarily due to a higher-than-expected Rate Range IGT accrual, with additional contributions from outpatient physical therapy, wound care, and cardiology. Expenses exceeded budget by 7%, largely due to the IGT matching fee accrual; however, when excluding depreciation and IGT costs, expenses were under 3% over budget. Key operational drivers included a 20% increase in inpatient activity over budget, strong ER volumes averaging over 30 visits per day, continued growth in physical therapy and wound care services, and a pickup in surgical volumes. During discussion, the Board requested regular updates on IGT developments due to their financial significance. Case announced that starting next fiscal year, the hospital will introduce quarterly financial forecasting. Armfield also mentioned recent revisions to the financial reporting package and invited Board members to provide feedback.</p>		

14. SVHCD INVESTMENT POLICY	<i>Ben Armfield</i>	Action
Incomplete policy was included in packet – moved to next month for approval.		
15. COMMITTEE UPDATES <ul style="list-style-type: none"> Quality Committee Quarterly Update 	<i>Board of Directors</i> <i>Daniel Kittleson, DDS</i>	Inform
<p>Kittleson reported on Q4 of 2024. He acknowledged that the quarterly reports are scheduled with a large delay and plans to work with Lee Myatt and Wyatt to schedule future reports differently. Kittleson highlighted positive outcomes, including strong patient satisfaction scores and improvements shown in reviews, though he noted some challenges with stroke care data due to a small number of cases and an increase in hospital readmissions. He explained that readmissions count any return visit within 30 days, regardless of cause. Kittleson praised the hospital staff for their excellent work and mentioned that the annual quality report will be presented in June this year, including first quarter 2025 data for better relevance. Lee Myatt and Case also praised the committee’s work and emphasized that the hospital’s overall quality and outcomes are very strong compared to larger facilities.</p>		
16. BOARD COMMENTS	<i>Board of Directors</i>	None
17. ADJOURN	<i>Wendy Lee Myatt</i>	
Adjourned at 6:33 p.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
QUALITY COMMITTEE**

Wednesday, March 26, 2025, 5:00 PM

MINUTES

Members Present

Wendy Lee Myatt
Michael Mainardi, MD
Carol Snyder
Susan Kornblatt Idell
Kathy Beebe, RN PhD
Paul Amara, MD, FACOG, via zoom
Daniel Kittleson, DDS, via zoom

Excused/Not Present

Carl Speizer, MD
Howard Eisenstark, MD

Public/Staff

Jessica Winkler, DNP, RN, NEA-BC, CCRN-K, SVH
CNO
Whitney Reese, SVH Board Clerk
Louise Wyatt, RN JD, SVH Director of Quality
Leslie Petersen, SVH Foundation ED
John Hennelly, SVH CEO
Stephanie Montecino, LN, CIC, SVH Infection
Preventionist/Employee Health Nurse

AGENDA ITEM	DISCUSSION	ACTION
1. CALL TO ORDER/ANNOUNCEMENTS	<i>Wendy Lee Myatt</i>	
	Lee Myatt called meeting to order at 5:00pm in place of Kittleson who is remote due to a family medical event.	
2. PUBLIC COMMENT SECTION	<i>Wendy Lee Myatt</i>	
	No public comments	
3. CONSENT CALENDAR Minutes 02.22.25	<i>Wendy Lee Myatt</i>	ACTION
	<i>Motion to approve by Mainardi, 2nd by Kornblatt Idell. All in favor.</i>	
4. INFECTION PREVENTION AND CONTROL QA/PI	<i>Stephanie Montecino, LN, CIC</i>	INFORM
Montecino presented the role of the Infection Prevention and Control (IPC) department in preventing and managing healthcare-associated infections. Core responsibilities include staff education, surveillance, regulatory reporting, and auditing infection prevention practices such as hand hygiene, device usage, and construction-related safety. The department reported zero HAIs linked to construction projects and a notable		

reduction in overall infection rates in 2024. Hand hygiene compliance exceeded goals at 98%. Montecino discussed the challenges of tracking post-discharge infections and emphasized efforts to differentiate between community- and hospital-acquired infections through in-depth investigation. The department also highlighted ongoing concerns with antibiotic resistance and underscored the importance of stewardship and follow-up care. Looking ahead to 2025, IPC will continue prioritizing surveillance, education, and multidisciplinary collaboration to enhance patient safety and care quality.		
5. 2025 SVHCD QUALITY COMMITTEE WORK PLAN	<i>Wendy Lee Myatt</i>	INFORM
2025 Quality Committee Work Plan included for reference with most recent changes. (previously approved by the committee)		
6. QUALITY INDICATOR PERFORMANCE & PLAN	<i>Louise Wyatt, RN JD</i>	INFORM
Wyatt presented data for February 2025. Key points included clarification around mortality data—specifically the distinction between comfort care and hospice, which affects reporting accuracy. One pneumonia-related mortality was confirmed after correcting coding errors. Infection control indicators, including hand hygiene and C. diff rates, have improved following targeted education in the ED. While sepsis protocol compliance had a few isolated fallouts, no consistent trends were identified. Wyatt also noted that readmission rates are impacted by CMS rules that count any 30-day readmission, regardless of cause or facility. Overall, the hospital is performing well across most quality measures, with continued efforts to refine coding, improve compliance, and support care coordination.		
7. CLOSED SESSION: a. Calif. Health & Safety Code §32155: Medical Staff Credentialing & Peer Review Report	<i>Wendy Lee Myatt</i>	ACTION
	<i>Motion to recommend to Board of Directors for approval by Kornblatt Idell, 2nd by Mainardi. All in favor.</i>	
8. ADJOURN	<i>Wendy Lee Myatt</i>	
	Meeting adjourned at 6:11pm	

Document Tasks By Committee

Listing of currently pending and/or upcoming document tasks grouped by committee.

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 04/27/2025 10:53 AM

Report Parameters

Filtered by: Document Set: - All Available Document Sets -
Committee: 09 BOD-Board of Directors
Include Current Tasks: Yes
Include Upcoming Tasks: No

Grouped by: Committee

Sorted by: Document Title

Report Statistics

Total Documents: 8

Committee: 09 BOD-Board of Directors

Committee Members: Newman, Cindi (cnewman), Reese, Whitney (wreese)

Current Approval Tasks (due now)

Document	Task/Status	Pending Since	Days Pending
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Contrast Media Procurement and Storage

Diagnostic Services Dept Policies

Pending Approval

4/27/2025

0

Summary Of Changes: Reviewed by pharmacy-no changes

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)

Lead Authors: Kutza, Chris (ckutza), Ashford, Troy (tashford)

ExpertReviewers: Kutza, Chris (ckutza), Medical Director-Diagnostic Radiology

Approvers: Kuwahara, Dawn (dkuwahara) -> 01 P&P Committee - (Committee) -> 03 MS-Surgery Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

High Alert Medications

Medication Management Policies (MM)

Pending Approval

4/27/2025

0

Summary Of Changes: Removed example of insulin under independent double check systems. ISMP recommends against this for insulin single doses.

Moderators: Kutza, Chris (ckutza), Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)

Lead Authors: Kutza, Chris (ckutza)

Approvers: 01 P&P Committee -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

Inpatient Staffing Plan and Acuity Determination

Nursing Services Policies (NS)

Pending Approval

4/27/2025

0

Summary Of Changes: Changed name to "Inpatient Staffing Plan and Acuity Determination" . Updated references. Added specific CDPH language regarding staffing ratios. Added purpose statement. Clarified process for low census, and steps to take to secure more staff in times of high census.

Moderators: Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)

Lead Authors: Winkler, Jessica (jwinkler), Taylor, Jane (jtaylor)

Approvers: Winkler, Jessica (jwinkler) -> 01 P&P Committee - (Committee) -> 02 MS-Medicine Department - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)

Menu Distribution

Food & Nutrition Services Dept Policies

Pending Approval

4/27/2025

0

Document Tasks by Committee

Sonoma Valley Hospital

Run by: Reese, Whitney (wreese)

Run date: 04/27/2025 10:53 AM

Listing of currently pending and/or upcoming document tasks grouped by committee.

Summary Of Changes:	Updated to reflect changes from paper menus and removed timing of menu distribution as menus are no longer provided on lunch trays		
Moderators:	Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)		
Lead Authors:	Finn, Bridget (bfinn)		
Approvers:	Drummond, Kimberly (kdrummond) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
Mercury-free Purchasing		Pending Approval	4/2/2025
<i>Governance and Leadership Policies</i>			25
Summary Of Changes:	2/18/2025 - No Changes		
Moderators:	Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)		
Lead Authors:	Dugger, James (jdugger)		
ExpertReviewers:	Drummond, Kimberly (kdrummond)		
Approvers:	Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 09 BOD-Board of Directors - (Committee)		
Plan for Patient and Family Education		Pending Approval	4/27/2025
<i>Governance and Leadership Policies</i>			0
Summary Of Changes:	Reviewed. No changes. Updated reference to CIHQ 2024 standards; formatted CMS reference.		
Moderators:	Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)		
Lead Authors:	Winkler, Jessica (jwinkler)		
ExpertReviewers:	06 CMO/Designee for signature		
Approvers:	Hennelly, John (jhennelly) -> 01 P&P Committee - (Committee) -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
RETIRE: Clozapine REMS Procedure		Pending Approval	4/27/2025
<i>Pharmacy Dept</i>			0
Summary Of Changes:	RETIRE--please retire this policy. The FDA announced that it is deleting the REMS requirement this policy was created for as of 2/24/25		
Moderators:	Kutza, Chris (ckutza), Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)		
Lead Authors:	Kutza, Chris (ckutza)		
Approvers:	01 P&P Committee -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		
Sterile Compounding Procedures 8390-03		Pending Approval	4/27/2025
<i>Pharmacy Dept\Compounding Related</i>			0
Summary Of Changes:	Reviewed, no changes		
Moderators:	Kutza, Chris (ckutza), Newman, Cindi (cnewman), Wyatt, Louise (lwyatt)		
Lead Authors:	Kutza, Chris (ckutza)		
Approvers:	01 P&P Committee -> 04 MS-Performance Improvement/Pharmacy & Therapeutics Committee - (Committee) -> 05 MS-Medical Executive - (Committee) -> 07 BOD-Quality (P&P Review) - (Committee) -> 09 BOD-Board of Directors - (Committee)		

1206(b) Physician Clinics Annual Report 2024 SVHCD Board of Directors



Today's Topics

- 1206 B – What does that mean?
- History
- Operational Overview – Primary Care
- Operational Overview – Surgeon's Clinic
- Quality Measures
- Age Related Health System
- Volumes
- Challenges
- What's Next

What is a 1206B?

- Exemption from licensing
- Separate entity operated by the Health Care District
- Managed by the hospital

History of SVH 1206B

- First 1206B established in 2016
 - ❖ Pari Azari MD Pain Management
 - ❖ Sabrina Kidd MD Colorectal Surgeon
- Family Practice joined the 1206B Program in 2018
 - ❖ Subhash Mishra MD
 - ❖ Daisy Manuel-Arguelles DO
 - ❖ Rebecca Spear, DNP, AGNP-C, GS-C Joined in 2024
 - ❖ Roshani Subedi, NP Joined in 2025
- Surgeon's Clinic joined the 1206B Program in June 2024
 - ❖ Alexis Alexandridis MD General Surgery

OPERATIONAL OVERVIEW

Primary Care

- 1.6 MDs, 2 Nurse Practitioners
- 6.6 FTEs including Practice Manager
- E H R – Athena Health
- Serves approximately 3000 patients

OPERATIONAL OVERVIEW

Surgeon's Clinic

- 1.0 FTE MD
- 1 per diem MD for General Surgery call
- 2.7 FTEs
- Practice Manager shared with Primary Care
- E H R– Athena Health
- Serves approximately 900 patients

QUALITY DASHBOARD

Merit Based Incentive Payment System

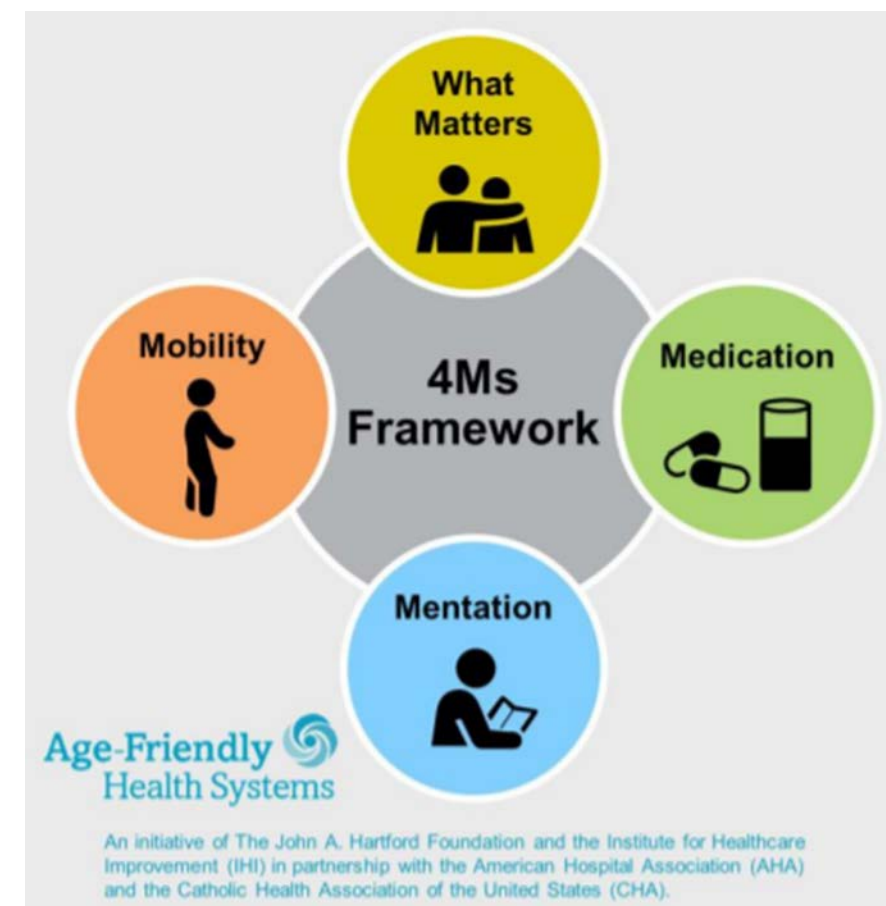
Family Practice

Measure Name	Reporting Period	Result
Controlling High Blood Pressure	2024	64%
Pneumococcal Vaccinations	2024	80%
Adult Major Depressive Order	2024	100%
Colorectal Cancer Screening	2024	65%
Implementation of medical management practice improvements	2024	91%

FAMILY PRACTICE

Age Related Health System

- What Matters
- Medication
- Mentation
- Mobility



VOLUME

Family Practice

Calendar Year	Visits
2024	9432
2023	8822

Surgeons Clinic

Calendar Year	Visits
June- Dec. 2024	3038

CHALLENGES

- Staffing including providers
 - ❖ Wait times for physical exams
 - ❖ Accepting new patients
 - ❖ Space

WHAT'S NEXT

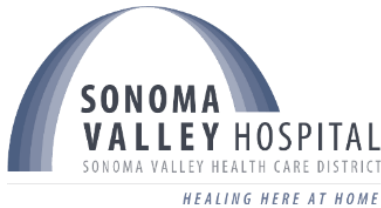
- Adding another practice?
- Recruiting More Providers
- Relocating Family Practice
- Establishing a Clinic Committee

OUR TEAMS



QUESTIONS?

Thank you



To: SVHCD Board of Directors
From: Ben Armfield, Chief Financial Officer
Date: April 30, 2025
Subject: Emergency Capital Request | AC-1 Condenser Unit Replacement

THE ASK

We are requesting emergency capital approval to replace a failing air conditioning condenser unit, which is a critical component of the HVAC system serving our Emergency Department and Operating Room.

Specifically, we are asking the Board to:

- **Authorize management to proceed with the proposed Carrier quote**, allowing us to initiate equipment procurement immediately and minimize current lead time delays.
- **Approve a not-to-exceed total project cost of \$250,000**, which includes all equipment & installation costs, as well as our best estimates of all other applicable costs necessary to complete the replacement.

This authorization will allow us to move forward without delay and mitigate the substantial operational risk posed by continued system failure.

BACKGROUND

Air Conditioning Unit 1, or **“AC-1,”** is the hospital’s primary rooftop condensing unit that supplies chilled air to the Emergency Department and Operating Room — two of the most clinically sensitive and operationally essential areas of the hospital. AC-1 functions in tandem with the hospital’s air handling systems to regulate temperature, humidity, and air pressure. This environmental control is not only essential for patient safety and satisfaction, but also a regulatory requirement for infection prevention and overall code compliance.

To meet required redundancy standards, the AC-1 system was originally designed with two independent condenser units. Both units are now beyond their expected service life.

In recent weeks, one of the two condensers failed again, prompting an emergency call to Carrier for temporary stabilization. While repairs were successful in the short term, these fixes are no longer reliable or sustainable. The system remains vulnerable to full failure at any time. If this were to occur, it would likely necessitate the full shutdown of our operating rooms and could seriously impact Emergency Department operations, resulting in diversions, postponed procedures, and regulatory exposure.

PROPOSED SCOPE

The attached Carrier proposal outlines a multi-phase plan to replace the AC-1 condenser system and address the immediate compressor failure. The proposal includes all necessary equipment, crane mobilization, installation labor, and mechanical work to restore near-term functionality and long-term system stability.

Specifically, the quote covers:

- **Phase 1 – Installation of Condenser 1 | Cost: \$87,500**
 - Procurement of two (2) new air-cooled condensers
 - Crane lift and rooftop placement of both units

- Installation of Condenser 1, including electrical disconnects, fusing, piping modifications, refrigerant charging, and startup/testing
- **Compressor Replacement for the Existing Unit | Cost: \$19,850**
 - Removal and replacement of the failed compressor
 - Refrigerant recovery and recharge
 - New drier, contactor, and system startup
 - Do not need additional crane since compressor replacement will be done in conjunction with Phase I and existing crane will already be on-site
- **Phase 2 – Installation of Condenser 2 | Cost: \$37,500**
 - Full installation of the second condenser unit, mirroring the scope of Phase 1

RECOMMENDATION

Our recommendation is to proceed with the full installation of both condenser units and compressor replacement. This approach addresses the system's full vulnerability at once, eliminates duplicative costs (e.g., a second crane mobilization), and significantly reduces the risk of disruption to patient care.

JUSTIFICATION FOR REPLACEMENT OF BOTH CONDENSERS

Both existing condensers are at end of life, and delaying replacement of the second would result in duplicative costs down the line — including a second crane mobilization, duplicative roof work and curb penetrations, potential street closures and more operational disruption. Procuring and installing both units now ensures we're prepared and avoids inflating total project costs later.

ADDITIONAL COST CONSIDERATIONS

While the attached Carrier quote covers the majority of mechanical installation work, we want to ensure the Board is aware of additional costs that may be incurred to complete the project. These include structural and electrical engineering services, roof curb fabrication and penetrations, permitting fees, potential refrigerant costs, and any traffic control or safety logistics related to crane staging. In addition to these fees, if this project requires HCAI submission, we may also incur costs for engagement of an Inspector of Record (IOR) and Architect of Record (AOR) to ensure regulatory compliance and inspection sign-off.

ESTIMATED PROJECT BUDGET

The project budget reflects a hard bid received from Carrier for the primary equipment and installation work, totaling \$145,000. All other associated costs—including roof work, structural and electrical engineering, permitting, refrigerant, crane logistics, and regulatory compliance support—are currently estimates. These figures represent our best assessment based on recent similar projects and input from our Facilities team. We are actively engaging with vendors and contractors to obtain detailed quotes and develop not-to-exceed (NTE) amounts for each of these additional components. Until those are finalized, we are recommending a total NTE project budget of \$250,000 to ensure adequate funding coverage.

AC-1 REPLACEMENT PROJECT BUDGET

Equipment / Installation Costs				
Item	Bid Cost	Description		
Phase 1 Work	\$ 87,500	Procurement of two new Condensers and installation of Condenser 1.		
Phase 2 Work	37,500	Installation of Condenser 2.		
Compressor Replacement	20,000	Compressor replacement for existing unit. Do not need add'l crane.		
Total Equipment / Installation Costs	\$ 145,000			
Other Associated Project Costs (currently being finalized)			Cost Estimate Ranges	
Item	Current Estimate	Estimate - Low		Estimate - High
Electrical/Structural Engineering	\$ 15,000	\$ 10,000	\$	20,000
Roof Work / Penetrations	10,000	5,000		15,000
Permitting (City or HCAI)	10,000	5,000		15,000
Street Closure / Crane Staging	3,000	1,000		5,000
IOR / AOR (if needed)	55,000	30,000		80,000
Refrigerant (if needed)	2,000	1,000		2,700
Contingency	10,000	10,000		15,000
Other Associated Project Costs *	\$ 105,000	\$ 62,000	\$	152,700
Current Project Cost Estimate	\$ 250,000	\$ 207,000	\$	297,700
* Other associated project costs are estimates at this point in time. We are working on procuring bids specific to the additional work that will be required, and while not fully defined, we estimate additional projects to range from ~\$60K - \$150K.				

PROJECT MANAGEMENT:

This project will be managed internally by the SVH Facilities team

CLOSING SUMMARY AND RECOMMENDATION:

Given the critical role of the AC-1 system in maintaining safe and compliant operations in the Emergency Department and Operating Room, and the recent failure requiring emergency stabilization, we are requesting emergency capital approval to proceed with the Carrier proposal and other associated costs with the project, contingent upon total costs not exceeding **\$250,000**.

By ordering and installing both condenser units now, we significantly reduce our risk of complete system failure, minimize duplicative future costs, and maintain continuity of care in our most critical clinical spaces.

Total Requested Emergency Capital Approval

Carrier Equipment and Installation | \$145,000

Other Associated Project Costs | Not-to-exceed \$105,000

ATTACHMENTS:

- Scope of Work Proposal Bid | Carrier Commercial Service
SVHCD BOD May 2025 pg.25



Carrier Commercial Service

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Sacramento, CA 95834
1-800-379-6484 (24/7/365)
Service License #499642
Sourcewell: 070121-CAR

Carrier Commercial Service

Sonoma Valley Hospital Condenser Replacement & Installation

Prepared For: Sonoma Valley Hospital

For Service At:
Sonoma Valley Hospital
347 Andrieux St. Sonoma, CA. 95476-6811



Prepared by

Michael W. Cortez

Service Sale Representative
(916) 616-4669
michael.cortez@carrier.com

**Carrier Commercial Service**

1170 W National Drive Suite 50
Sacramento, CA 95834
1-800-379-6484 (24/7/365)
Service License #499642
Sourcewell: 070121-CAR

Date: April 14th, 2025

To: Kyle Magnani

Subject: Sonoma Valley Hospital Condenser
Replacement & Installation

Quotation #: 01581548

Description: Provide two (2) Standard Vertical Discharge Air Cooled Condensers 460/3/60. Set on roof and
Installation of Condenser 1. Condenser 2 installation based on approval

Vendor ID: Carrier Commercial Service – Sacramento

1170 W. National Dr. Suite. 50 Sacramento, CA 95834

P: 916.928.9500 E: Sacramento.CCSVC@carrier.om

Ca Bus. Lic. **499642** (C-20 HVAC, C-38 Refrigeration, C-36 Plumbing, C-4 Boiler)

DIR: **1000017325**

Sourcewell: **070121-CAR**

Carrier is a Union company and adheres to all prevailing wage standards

Cristian Saldivar

Sales Manager

P: 707.974.8420

Cristian.saldivar@carrier.com

Robert Cordova

Service Supervisor

P: 916.265-7138

robert.cordova@carrier.com

Michael W. Cortez

Sales Specialist

P: 916.616.4669

michael.cortez@carrier.com



24/7 SUPPORT & SERVICE

1-916-928-9500

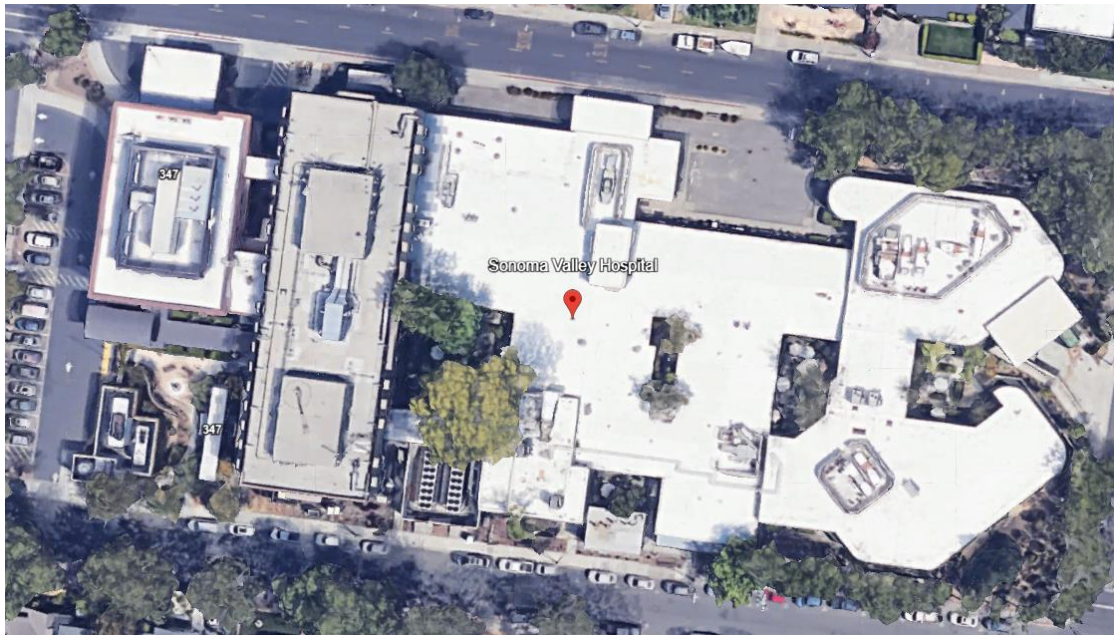
WWW.CARRIER.COM/COMMERCIAL



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Site Map: Provided by Google Earth



Site Map: Crane location/ Schedule

Vendor: AAA Crane

- Crane to be operating on location 4 hours
- Delivery of units, two (2) condensers
- Lift & set two (2) units on roof
- Condenser locations have not been Defined. To be determined by POC
- Proposal does not include street closures
- Proposal does not include permits
- Time of lift: To be determined by POC
- Building evacuation: To be determined by POC



Quote #: 01581548

Page 3 of 10

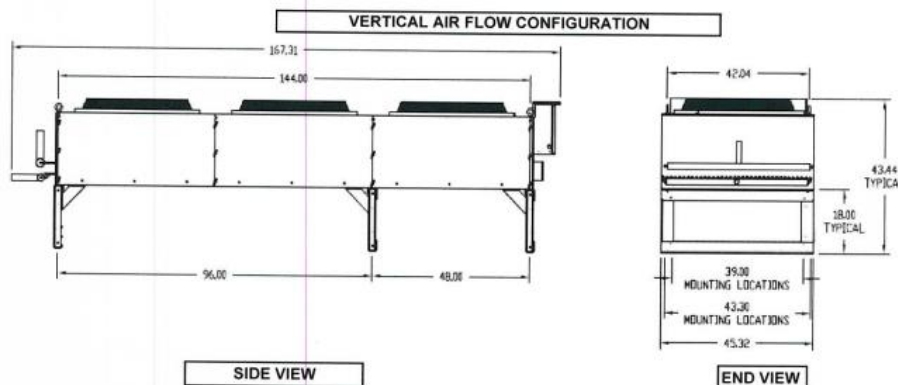
*Standard Carrier Terms and Conditions apply
SVHCD BOD May 2025 pg.28

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Equipment Selection:

LINE NO.	PRODUCT AND DESCRIPTION	QUANTITY ORDERED
	STANDARD VERTICAL DISCHARGE 460/3/60 10 FINS PER INCH 1 X 3 FAN CONFIGURATION SINGLE CIRCUIT THROUGH THE DOOR NON FUSED DISCONNECT INDIVIDUAL MOTOR CONTACTORS INDIVIDUAL MOTOR FUSING NO FAN CYCLING OR HEAD PRESSURE INCLUDED NO PROTECTIVE COIL COATING INCLUDED CURRENT LEAD TIME IS 5-6 WEEKS TO BUILD 7-10 DAYS IN TRANSIT	
1	RUS RDS027GB3A AIR COOLED CONDENSOR	2
NON-STOCK / SPECIAL ORDER ITEM		



PERFORMANCE DATA - THR / MBH @ 1 DEG TD				
Refrig Type	Fins Per Inch			
	8	10	12	14
R-404A	24.4	26.8	28.3	29.7
R-407A ^	24.7	27.1	28.6	30.0
R-448A ^	24.7	27.1	28.6	30.0
R-449A ^	24.7	27.1	28.6	30.0
R-407C ^	24.2	26.6	28.0	29.4

PHYSICAL DATA										
Qty Fans	Fan Diam	Motor HP	Motor RPM	CFM	Refrig Conn (ODS) *		Sound Level (dBA) +	Refrig Chg (Summer)	Refrig Chg (Winter)	Net Weight
					Inlet	Outlet				
3	30"	1-1/2	1,140	29,400	1-5/8"	1-3/8"	74.6	26.5 Lb's	97.9 Lb's	1,150 Lb's

ELECTRICAL DATA (60 Hertz)						
Design Voltage	Volts	Phase	KW	FLA	MCA	MOPD
<input type="checkbox"/>	208/230	3	5.4	19.5	21.1	25
<input type="checkbox"/>	460	3	5.4	9.9	15	15

Notes	^ Capacities listed are based upon the Mean Condensing Temperature (average of dew and bubble points at cond inlet)
	* Refrigerant connection sizes and quantities are subject to change based upon actual design operating conditions
	+ Sound pressure value as measured in horizontal plane 10' away from unit
	# Based on R-407A, R-407C, R-448A, R-449A @ +95 / -20 ambient temp / 15 TD. Multiply values by 0.92 for R-404A

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Scope of Work: Phase 1, Condenser delivery, lift, & condenser 1 Installation

- Arrive on site and check in with site contact
- Meet with crane operators and prep area for lift
- Provide two (2) new condensers
- Lift and set in place two (2) new condenser. Location of condensers provided by site POC
- Mount unit to roof, per factory recommendations
- Provide power to location of condenser
- Provide and install one (1) new disconnect, electrical whip, needed fuses and tie into condenser
- Provide new piping as needed.
- Trim charge
- Startup unit and verify operations
- Check out with customer and report any findings

Scope of Work: Phase 2, Condenser 2 Installation

- Arrive on site and check in with site contact
- Provide power to location of condenser
- Provide and install one (1) new disconnect, electrical whip, needed fuses and tie into condenser
- Provide new piping as needed.
- Trim charge
- Startup unit and verify operations

Excludes:

- Permits, Engineered Drawings, & Structural Drawing
- Controls integration

Clarification

- Lead time: 5-6 weeks to build units
- Lead time: 7-10 Days Standard Shipping
- Customer to provide all roof work.
- Customer to provide penetration and roof curb
- Customer to provide all structural and electrical engineering
- Customer to bring power to roof

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Warranty Information:

- Carrier Factory Standard Warranty per Terms and Conditions
- One Year Manufacturers Warranty on Parts

Compressor Replacement - Scope of Work

- Arrive on site and check in with site contact
- Perform lock out tag out
- Recover refrigerant and store on site for reuse
- Disconnect failed compressor from wiring and mounting
- Perform lift and remove failed compressor
- Provide and install one (1) new factory compressor
- Reconnect wiring and mounting
- Provide and install new contactor for compressor circuit
- Provide and install new drier for circuit
- Pressurize system and leak check
- Evacuate
- Charge system with recovered refrigerant
- Perform startup and verify operations
- Checkout with customer and report any findings

Compressor Clarifications

- Proposal does not include refrigerant. Needed refrigerant will be billable
- Lead time: Compressor 7-10 days shipping
- Added Crane charge: Compressor only lift Total \$2,210 _____ Initial for approval

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Total Price for Scope of Work Phase 1	\$87,500.00 _____ <i>(Initial for approval)</i>
Total Price for Scope of Work Phase 2	\$37,500.00 _____ <i>(Initial for approval)</i>
Total Price Compressor Replacement	\$19,850.00 _____ <i>(Initial for approval)</i>
Add for Crane (Compressor Only)	\$2,210.00 _____ <i>(Initial for approval)</i>
Total Price Scope of Work Phase 1 & 2	\$147,060.00 _____ <i>(Initial for approval)</i>

This proposal is valid for 30 days from the date of proposal. Carrier's terms and conditions will govern in lieu of any other terms and conditions contained in any resulting Purchase, Order, Contract, Agreement, etc. Carrier would like to thank you for the continuing opportunity to be of service.

Sincerely,

Michael W. Cortez
Carrier Commercial Service

Title

Customer Acceptance (Signature)

Date

Purchase Order

Carrier Corporation is a Union Company and adheres to prevailing wage standards



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CARRIER CORPORATION TERMS AND CONDITIONS OF SALE – EQUIPMENT AND/OR SERVICE

1. PAYMENT AND TAXES - Payment shall be made net 30 days from date of invoice. Carrier reserves the right to require cash payment or other alternative method of payment prior to shipment or completion of work if Carrier determines, in its sole discretion, that Customer or Customer's assignee's financial condition at any time does not justify continuance of the net 30 days payment term. In addition to the price, Customer shall pay Carrier any taxes or government charges arising from this Agreement. If Customer claims that any such taxes or government charges do not apply to the transactions governed by this Agreement, Customer shall provide Carrier with acceptable tax exemption certificates or other applicable documents. All past due invoices will accrue interest at the lesser of 1% per month or the maximum amount allowable by law.

2. EXTRAS - Equipment, parts or labor in addition to those specified in this Agreement will be provided upon receipt of Customer's written authorization, paid for as an extra at Carrier's prevailing labor rates and equipment/parts charges, and subject to the terms of this Agreement.

3. RETURNS - No items will be accepted for return without prior written authorization. Returned goods may be subject to a restocking charge. Special order and non-stock items cannot be returned.

4. SHIPMENT - All shipments shall be F.O.B. shipping point, freight prepaid and allowed to the job site. Shipment dates quoted are approximate. Carrier does not guarantee a particular date for shipment or delivery.

5. PARTIAL SHIPMENT - Carrier shall have the right to ship any portion of the equipment, goods or other materials included in this Agreement and invoice Customer for such partial shipment.

6. DELAYS - Carrier shall not be liable for delays in manufacturing, shipping or delivery by causes beyond the control and without the fault or negligence of Carrier, including but not restricted to acts of God, acts of a public enemy, acts of government, acts of terrorism, fires, floods, epidemics, quarantine restrictions, freight embargoes, supplier delays, strikes, or labor difficulties (collectively "Force Majeure Events"). Carrier agrees to notify Customer in writing as soon as practicable of the causes of such delay. In the event that any materials or equipment to be provided by Carrier under this Agreement become permanently unavailable as a result of a Force Majeure Event, Carrier shall be excused from furnishing such materials or equipment.

7. WARRANTY - Carrier warrants that all equipment manufactured by Carrier Corporation and all Carrier equipment, parts or components supplied hereunder will be free from defects in material and workmanship. Carrier shall at its option repair or replace, F.O.B. point of sale, any equipment, part or component sold by Carrier and determined to be defective within one (1) year from the date of initial operation or eighteen (18) months from date of shipment, whichever is earlier. Carrier does not warrant products not manufactured by Carrier Corporation, but it does pass on to Customer any transferrable manufacturer warranties for those products. Carrier warrants that all service provided by Carrier hereunder shall be performed in a workmanlike manner. In the event any such service is determined to be defective within ninety (90) days of completion of that service, Carrier shall at its option re-perform or issue a credit for such service. Carrier's obligation to repair or replace any defective equipment, parts or components during the warranty period shall be Customer's exclusive remedy. Carrier shall not be responsible for labor charges for removal or reinstallation of defective equipment, parts or components, for charges for transportation, handling and shipping or

refrigerant loss, or for repairs or replacement of such equipment, parts or components, required as a consequence of faulty installation, misapplication, vandalism, abuse, exposure to chemicals, improper servicing, unauthorized alteration or improper operation by persons other than Carrier. THIS WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8. WORKING HOURS - All services performed under this Agreement, including but not limited to, major repairs, are to be provided during Carrier's normal working hours unless otherwise agreed.

9. CUSTOMER RESPONSIBILITIES (Service Contracts only) - Customer shall:

- Provide safe and reasonable equipment access and a safe work environment.
- Permit access to Customer's site, and use of building services including but not limited to: water, elevators, receiving dock facilities, electrical service and local telephone service.
- Keep areas adjacent to equipment free of extraneous material, move any stock, fixtures, walls or partitions that may be necessary to perform the specified service.
- Promptly notify Carrier of any unusual operating conditions.
- Upon agreement of a timely mutual schedule, allow Carrier to stop and start equipment necessary to perform service.
- Provide adequate water treatment.
- Provide the daily routine equipment operation (if not part of this Agreement) including availability of routine equipment log readings.
- Where Carrier's remote monitoring service is provided, provide and maintain a telephone line with long distance direct dial and answer capability.
- Operate the equipment properly and in accordance with instructions.
- Promptly address any issues that arise related to mold, fungi, mildew or bacteria.
- Identify and label any asbestos containing material that may be present. The customer will provide, in writing, prior to the start of a job, a signed statement regarding the absence or presence of asbestos for any job where the building or the equipment to be serviced is older than 1981. Should this document state that no asbestos is present, the customer will also provide in writing the method used to determine the absence of asbestos.

10. EXCLUSIONS - Carrier is not responsible for items not normally subject to mechanical maintenance including but not limited to: duct work, casings, cabinets, fixtures, structural supports, grillage, water piping, steam piping, drain piping, cooling tower fill, boiler tubes, boiler refractory, disconnect switches and circuit breakers. Carrier is not responsible for repairs, replacements, alterations, additions, adjustments, repairs by others, unscheduled calls or emergency calls, any of which may be necessitated by negligent operation, abuse, misuse, prior improper maintenance, vandalism, obsolescence, building system design, damage due to freezing weather, chemical/electrochemical attack, corrosion, erosion, deterioration due to unusual wear and tear, any damage related to the presence of mold, fungi, mildew, or bacteria, damage caused by power reductions or

Terms and Conditions of Sale – Equipment and/or Service 020620



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failures or any other cause beyond Carrier's control. Carrier shall not be required to perform tests, install any items of equipment or make modifications that may be recommended or directed by insurance companies, government, state, municipal or other authority. However, in the event any such recommendations occur, Carrier, at its option, may submit a proposal for Customer's consideration in addition to this Agreement. Carrier shall not be required to repair or replace equipment that has not been properly maintained.

11. EQUIPMENT CONDITION & RECOMMENDED SERVICE (Service Contracts only) - Upon the initial scheduled operating and/or initial annual stop inspection, should Carrier determine the need for repairs or replacement, Carrier will provide Customer in writing an 'equipment condition' report including recommendations for corrections and the price for repairs in addition to this Agreement. In the event Carrier recommends certain services (that are not included herein or upon initial inspection) and if Customer does not elect to have such services properly performed in a timely fashion, Carrier shall not be responsible for any equipment or control failures, operability or any long-term damage that may result. Carrier at its option will either continue to maintain equipment and/or controls to the best of its ability, without any responsibility, or remove such equipment from this Agreement, adjusting the price accordingly.

12. PROPRIETARY RIGHTS (Service Contracts only) - During the term of this Agreement and in combination with certain services, Carrier may elect to install, attach to Customer equipment, or provide portable devices (hardware and/or software) that shall remain the personal proprietary property of Carrier. No devices installed, attached to real property or portable device(s) shall become a fixture of the Customer locations. Customer shall not acquire any interest, title or equity in any hardware, software, processes, and other intellectual or proprietary rights to devices that are used in connection with providing service on Customer equipment.

13. DATA RIGHTS (Service Contracts only) - Customer hereby grants and agrees to grant to Carrier a worldwide, non-exclusive, non-terminable, irrevocable, perpetual, paid-up, royalty free license to any Source Data, with the right to sub-license to its affiliates and suppliers for (i) Carrier's performance of services pursuant to this Agreement, (ii) the improvement of Carrier services, and Carrier's Analytics Platform; (iii) improving product performance, operation, reliability, and maintainability; (iv) to create, compile, and/or use datasets and/or statistics for the purposes of benchmarking, development of best practices, product improvement; (v) the provision of services to third parties, (vi) research, statistical, and marketing purposes, and/or (vii) in support of Carrier agreements.

Source Data - shall mean data that is produced directly from a system, or device and received at a collection point or a central server (e.g. a Carrier database, data lake, or third party cloud service).

Analytics Platform - shall mean server algorithms or web interface systems used to (i) interpret, convert, manipulate, or calculate data, (ii) perform data processing, and/or (iii) the delivery of data to Carrier, affiliates or suppliers of Carrier, and/or Customer.

14. RETURN OF DATA (Service Contracts only) - Customer understands and acknowledges that the portable devices will collect Source Data that will be stored on and/or transmitted to Carrier's servers and to suppliers or affiliates that are contracted by Carrier and used to transmit, process, extract or store such Source Data for purposes of Carrier's performance of the service in accordance with this Agreement. Once such data and information has been stored and/or transmitted to Carrier's servers, Customer agrees that such data and information shall become part of Carrier's database and therefore subject to the license terms under section 13.

15. DATA DELIVERY - During the term of the Agreement Customer shall (i) make reasonable efforts to ensure that the hardware remains powered on, (ii) avoid intentional action to impede, block or throttle collection and transmission of Source Data by Carrier, and (iii) avoid intentional action to disable, turn off, or remove the hardware without Carrier's express written consent, which consent shall not be unreasonably withheld.

16. REVERSE ENGINEERING - Customer shall not extract, decompile or reverse engineer any software included with, incorporated in, or otherwise associated with the hardware and shall not reverse engineer any reports or analytics provided to or received by Customer from Carrier.

17. WAIVER OF DAMAGES - Under no circumstances shall Carrier be liable for any incidental, special or consequential damages, including loss of revenue, loss of use of equipment or facilities, or economic damages based on strict liability or negligence.

18. LIMITATION OF LIABILITY - Carrier's maximum liability for any reason (except for personal injuries) arising from this Agreement shall not exceed the value of the payments received by Carrier under this Agreement.

19. CANCELLATION - Customer may cancel this Agreement only with Carrier's prior written consent, and upon payment of reasonable cancellation charges. Such charges shall take into account costs and expenses incurred, and purchases or contract commitments made by Carrier and all other losses due to the cancellation including a reasonable profit.

20. CUSTOMER TERMINATION FOR CARRIER NON-PERFORMANCE - Customer shall have the right to terminate this Agreement for Carrier's non-performance provided Carrier fails to cure such non-performance within thirty (30) days after having been given prior written notice of the non-performance. Upon early termination or expiration of this Agreement, Carrier shall have free access to enter Customer locations to disconnect and remove any Carrier personal proprietary property or devices as well as remove any and all Carrier-owned parts, tools and personal property. Additionally, Customer agrees to pay Carrier for all incurred but unamortized service costs performed by Carrier including overheads and a reasonable profit.

21. CARRIER TERMINATION - Carrier reserves the right to discontinue its service any time payments have not been made as agreed or if alterations, additions or repairs are made to equipment during the term of this Agreement by others without prior agreement between Customer and Carrier.

22. CLAIMS - Any lawsuits arising from the performance or nonperformance of this Agreement, whether based upon contract, negligence, strict liability or otherwise, shall be brought within one (1) year from the date the claim arose.

23. GOVERNMENT PROCUREMENTS - The components, equipment and services provided by Carrier are "commercial items" as defined in Section 2.101 of the Federal Acquisition Regulations ("FAR"), and the prices of such components, equipment and services are based on Carrier's commercial pricing policies and practices (which do not consider any special requirements of U.S. Government cost principles, FAR Part 31, or any similar procurement regulations). As such, Carrier will not agree to provide or certify cost or pricing data, nor will Carrier agree to comply with the Cost Accounting Standards (CAS). In addition, no government procurement regulations, such as

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FARs or DFARs, shall apply to this Agreement except those regulations expressly accepted in writing by Carrier.

24. HAZARDOUS MATERIALS - Carrier is not responsible for the identification, detection, abatement, encapsulating or removal of asbestos, products or materials containing asbestos, similar hazardous substances, or mold, fungi, mildew, or bacteria. If Carrier encounters any asbestos or other hazardous material while performing this Agreement, Carrier may suspend its work and remove its employees from the project, until such material and any hazards associated with it are abated. The time for Carrier's performance shall be extended accordingly, and Carrier shall be compensated for the delay.

25. WASTE DISPOSAL - Customer is wholly responsible for the removal and proper disposal of waste oil, refrigerant and any other material generated during the term of this Agreement.

26. SUPERSEDEURE, ASSIGNMENT and MODIFICATION - This Agreement contains the complete and exclusive statement of the agreement between the parties and supersedes all previous or contemporaneous, oral or written, statements. Customer may assign this Agreement only with Carrier's prior written consent. No modification to this Agreement shall be binding unless in writing and signed by both parties. Orders shall be binding upon Carrier when accepted in writing by an authorized representative of Carrier. CARRIER'S ACCEPTANCE OF CUSTOMER'S ORDER IS CONDITIONED UPON CUSTOMER'S ACCEPTANCE OF THE TERMS AND CONDITIONS SET FORTH HEREIN (THIS "AGREEMENT") AND CUSTOMER'S AGREEMENT TO BE BOUND BY AND COMPLY WITH THIS AGREEMENT. THIS AGREEMENT AND ALL REFERENCED ATTACHMENTS CONSTITUTE THE ENTIRE AGREEMENT BETWEEN CARRIER AND CUSTOMER, AND NO AMENDMENT OR MODIFICATION SHALL BE BINDING ON CARRIER UNLESS SIGNED BY AN OFFICER OR AUTHORIZED EMPLOYEE OF CARRIER. THE FAILURE OF CARRIER TO OBJECT TO PROVISIONS CONTAINED IN ANY PURCHASE ORDER OR OTHER DOCUMENT OF CUSTOMER SHALL NOT BE CONSTRUED AS A WAIVER BY CARRIER OF THE TERMS IN THIS AGREEMENT OR AN ACCEPTANCE OF ANY OF CUSTOMER'S PROVISIONS. ANY CONFLICTING OR ADDITIONAL TERMS OR CONDITIONS SET FORTH BY CUSTOMER IN A PURCHASE ORDER OR OTHER DOCUMENT SHALL NOT BE BINDING UPON CARRIER, AND CARRIER HEREBY EXPRESSLY OBJECTS THERETO.

27. CUSTOMER CONSENT - Customer consents and agrees that Carrier may, from time to time, publicize Carrier related projects with

Customer, including the value of such projects, in all forms and media for advertising, trade, and any other lawful purposes.

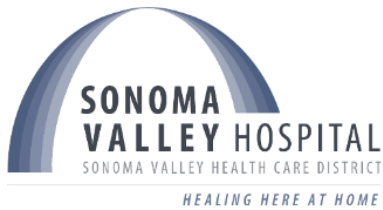
28. FOR WORK BEING PERFORMED IN CALIFORNIA - Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

29. INTELLECTUAL PROPERTY - Notwithstanding anything to the contrary stated herein, Carrier retains ownership of its intellectual property and no license to Carrier's intellectual property is granted except as necessary for Customer to use any deliverables and/or services provided hereunder.

30. DATA PRIVACY - Carrier processes personal data in accordance with its privacy notice at Carrier.com. Each party will comply with applicable data privacy laws governing personal information collected and processed under this Agreement, including the California Consumer Privacy Act and the European General Data Protection Regulation, and take all reasonable commercial and legal steps to protect personal data. If Customer provides Carrier with personal data, Customer will ensure that it has the legal right to do so, including notifying the individuals whose personal data it provides to Carrier. If a party collects or processes personal data from California residents under this Agreement, such party is a "Service Provider" under the CCPA, and will not sell or exchange such personal data for anything of value.

31. FACTORY ACCEPTANCE TESTS AND INSPECTIONS - The nature and extent of factory acceptance tests or factory inspections, including without limitation, the number and identity of participants, locations visited, and activities undertaken, shall be limited to activities directly related to the performance of this Agreement. The tests or inspections will be subject to mutual agreement of the parties, Carrier policy and internal pre-approval requirements, and strictly comply with Customer's policies as well as all applicable laws and regulations including, without limitation, all applicable laws and regulations prohibiting corruption.





To: SVHCD Board of Directors
From: Ben Armfield, Chief Financial Officer
Date: April 30, 2025
Subject: ICU Upgrade Project Change Order Submission | Change Order #4 – Ridgeview Builders

THE ASK

We are requesting Board approval to move forward with processing a change order to Ridgeview Builders in the amount of \$28,200.55. Ridgeview Builders is the general contractor for the ICU Upgrade project and this change order covers two critical scope adjustments: relocation of casework, plumbing, and electrical components to meet ADA sink clearance standards, and the repair of compromised partition studs uncovered during the demolition process.

The original contract with Ridgeview Builders was \$302,000, which sets the 5% change order authority threshold at \$15,100. Because the total value of change orders exceeds 5% of the original construction contract, we are seeking Board approval in accordance with district policy.

BACKGROUND OF PROJECT

The ICU Upgrade Project is a strategic capital initiative focused on refreshing and modernizing the existing Intensive Care Unit to meet updated regulatory and clinical standards. The project was approved with a total budget of \$630,000, of which \$601,000 was secured through philanthropic support from the Sonoma Valley Hospital Foundation. The project includes infrastructure updates, accessibility improvements, and necessary upgrades to casework, mechanicals, and finishes to extend the functional life of the ICU.

The original construction contract with Ridgeview Builders totaled \$302,000. The project also has an overall contingency reserve of \$67,310. As is typical with projects involving existing hospital infrastructure, several unforeseen conditions have emerged, requiring scope changes.

JUSTIFICATION FOR BOARD APPROVAL

As construction has progressed, several previously unforeseen site conditions have required mid-project adjustments. These included ADA compliance updates, structural issues, and coordination gaps identified during field implementation. While there are adequate funds in the project's contingency reserve to fund these changes, this change order exceeds the 5% threshold of the base construction contract, triggering the requirement for board-level review and approval.

Ridgeview Builders Change Order #4, in the amount of **\$28,200.55**, includes two significant scope adjustments:

- **ADA Sink Clearance Modifications | Cost \$19,761**

During installation planning, it became evident that the casework, sink plumbing, and electrical outlet needed to be shifted approximately two feet to provide the proper knee clearance required under ADA accessibility regulations. This issue was not anticipated in the original design documents and must be corrected to ensure full regulatory compliance.

- **Structural Framing Repair | Cost \$8,439**

Upon wall demolition, the contractor discovered that some of the existing partition studs were compromised—either damaged or insufficient for proper support of the planned finishes and

equipment. To ensure safety and durability, these studs require reinforcement or replacement in line with construction best practices and OSHPD expectations.

These scope changes are non-discretionary and are considered necessary to complete the project in a compliant and safe manner.

PROJECT BUDGET UPDATE

The project budget summary provided below reflects all known commitments and incurred costs as of April 2025, and is intended to provide the Board with a current snapshot of the ICU Upgrade Project's financial position. The budget includes the original board-approved figures, contingency allocations made to date, and the pending change order request currently under review (Requested Changes, column E).

As of this update, \$589,298 of the total \$630,000 budget has been committed, with approximately \$207,000 in costs already incurred. The remaining balance to complete the project, based on current committed costs, is \$410,556. This includes the impact of the proposed \$28,201 change order.

ICU Upgrade Project Budget Summary April 2025									
Line Item	A	B	C (A+B)	D	E	F (D+E)	G	H (F-G)	Projected Final (Over) / Under
	Board Approved Budget	Contingency Allocations	Current Budget	Committed Cost	Requested Changes	Committed Cost w Requested Changes	Incurred Costs	Balance To Finish	
Preconstruction	-	-	-	-	-	-	-	-	-
Feasibility Study	-	-	-	-	-	-	-	-	-
Design	122,159	4,500	126,659	126,659	-	126,659	66,741	59,918	-
Architect	122,159	4,500	126,659	126,659	-	126,659	66,741	59,918	-
Permits and Fees	18,870	-	18,870	8,000	-	8,000	7,481	519	10,870
OSHPD	18,870	-	18,870	8,000	-	8,000	7,481	519	10,870
City of Sonoma	-	-	-	-	-	-	-	-	-
FF&E	67,090	3,506	70,596	46,687	-	46,687	37,796	8,891	23,908
FF&E Vendor	67,090	3,506	70,596	46,687	-	46,687	37,796	8,891	23,908
Construction	302,000	19,019	321,019	321,019	28,201	349,219	57,217	292,003	-
General Contractor	302,000	19,019	321,019	321,019	28,201	349,219	57,217	292,003	-
Medical Equipment	-	-	-	-	-	-	-	-	-
Medical Equipment	-	-	-	-	-	-	-	-	-
Project Management	22,065	-	22,065	48,290	-	48,290	29,969	18,322	(26,225)
Professional Labor	22,065	-	22,065	48,290	-	48,290	29,969	18,322	(26,225)
Preconstruction	4,929	-	4,929	4,929	-	4,929	4,929	-	-
Design Fees	-	-	-	-	-	-	-	-	-
Panel Load Study	3,905	-	3,905	3,905	-	3,905	3,905	-	-
Bidding Fees	1,024	-	1,024	1,024	-	1,024	1,024	-	-
Testing & Inspection	15,000	-	15,000	15,000	-	15,000	2,810	12,190	-
Special Inspections	-	-	-	-	-	-	-	-	-
IOR	15,000	-	15,000	15,000	-	15,000	2,810	12,190	-
IT	10,000	9,028	19,028	18,714	-	18,714	-	18,714	314
IT Vendor	10,000	9,028	19,028	18,714	-	18,714	-	18,714	314
Project Contingency	67,310	(36,052)	31,258	-	-	-	-	-	3,057
Contingency	67,310	(36,052)	31,258	-	-	-	-	-	3,057
Project Totals	\$ 629,423	\$ -	\$ 629,423	\$ 589,298	\$ 28,201	\$ 617,499	\$ 206,943	\$ 410,556	\$ 11,924

CONTINGENCY SUMMARY

The project's original contingency was **\$67,310**. To date, **\$36,052** has been drawn from this reserve to support essential scope adjustments, including:

- **\$9,028** for Nurse Call Integration scope change– designing and installing a cable pathway from patient headboards to televisions to enable control from the pillow speaker
- **\$9,046** for Ridgeview Builders change order (CO#1) for the substitution and addition of flooring
- **\$6,775** for Ridgeview Builders change order (CO#2) for the inclusion of nearby alcove that had not been included in original bidding documents

- **\$3,197** for a Ridgeview Builders change order (CO#3) related to installation of concrete anchor wedges for safe and compliant furniture placement. Not part of original bid.
- **\$3,506** change order for FF&E sink modifications due to unforeseen conditions
- **\$4,500** for architectural revisions – designing and installing a cable pathway from patient headboards to televisions to enable control from the pillow speaker.

These adjustments have brought the current remaining contingency to \$31,258. If the board approves this request for \$28,200.55, the remaining project contingency would be reduced to approximately \$3,000.

Contingency Usage Summary					
Vendor	Reason	Line Item	Amount	Purpose	
Comtel	Scope Change	IT	\$ 9,028	Nurse call integration for TVs in patient rooms - missed during scoping and needed for new TVs on footwall to work with pillow speakers -critical functionality.	
Ridgeview Builders	Change Order #1	Construction	\$ 9,046	Change order for substitution of flooring material used.	
Ridgeview Builders	Change Order #2	Construction	\$ 6,775	Change order for additional flooring in Alcove W300D. Alcove was not included in original bidding documents.	
Ridgeview Builders	Change Order #3	Construction	\$ 3,197	To supply and install concrete anchor wedges for furniture installation (not part of original bid).	
Trope Furniture	Change Order #1	FF&E	\$ 3,506	ADA Sink Modifications due to unforeseen conditions	
Smith-Karng Architect	Change Order #1	Architect	\$ 4,500	Design cable pathway and connection from patient headboard to the in-room TV to enable channel and volume control from the patient remote.	
Total Project Contingency Utilized			\$ 36,052		
Project Contingency Initial Budget			\$ 67,310		
Remaining Project Contingency			\$ 31,258		
Requested Changes					
Vendor	Reason	Line Item	Amount	Purpose	
Ridgeview Builders	Change Order #4	Construction	\$ 28,201	Casework, plumbing, & electrical outlet to be related 2' for accessible knee clearance. Repair existing partition studs if previously compromised.	
Total Contingency Utilized w Requested Changes			\$ 64,253		
Remaining Contingency After Requested Changes			\$ 3,057		

CONCLUSION AND RECOMMENDATION

The ICU Upgrade Project remains a high-impact investment in the hospital's infrastructure and patient care environment. While the proposed change order slightly exceeds the management approval threshold and will nearly exhaust the project contingency, the scope is both necessary and appropriate—addressing ADA compliance and structural deficiencies uncovered during construction.

We recommend that the Board approve Change Order #4 in the amount of \$28,200.55 to Ridgeview Builders. This approval will allow the project to proceed without delay and ensure that the upgraded ICU space is fully compliant, structurally sound, and patient-ready upon completion. Management will continue to closely monitor the remaining activity and provide a final cost reconciliation as the project moves closer to closeout.

ATTACHMENTS

- Change Order #4 Request | Ridgeview Builders
- ICU Upgrade Project Budget Summary | as of April 2025

CHANGE ORDER FORM

Sonoma Valley Health Care District

347 Andrieux Street,
Sonoma, CA, 95476

Contract Change Order # 4

Project: SVH ICU Refresh

Change Order No.: 4

Orig. Contract Amt.: \$ 302,000.00 Days

Contract No.: 1 (Owner-Insite)

Contractor: Ridgeview Builders

Prev. Appvd. Changes: \$ 19,018.56 Days

Owner: Sonoma Valley Health Care District

This Change: \$ 28,200.55 Days 0

Revised Contract Amt.: \$ 349,219.11 Days 0

This Change Order covers changes to the subject contract as described herein. The Contractor shall construct, furnish equipment and materials, and perform all work as necessary or required to complete the Change Order items for a lump sum price agreed upon between the Contractor and Sonoma Valley Health Care District, otherwise referred to as Owner.

Item No.	Description of Changes	Increase/ (Decrease) in Contract Amount	Contract Time Extension, Days
1	Casework, plumbing, & electrical outlet to be relocated 2' for knee clearance compliance. Modification of existing rough-in requirements at new sink location	\$ 19,761.11	0
2	Repair existing partition studs if previously compromised, ACD 001 per detail	\$ 8,439.44	0
	Totals	\$ 28,200.55	0

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initialed by or on behalf of both the Contractor and the Sonoma Valley Healthcare District.

The amount of the contract will be increased by the sum of \$ 28,200.55 and the contract time shall be extended by working days. The undersigned Contractor approves the foregoing Change Order # as to the changes, if any, in the contract price specified for each item including any and all supervision costs and other miscellaneous costs relating to the change in work, and as to the extension of time allowed, if any, for completion of the entire work on account of said Change Order #. The Contractor agrees to furnish all labor and materials and perform all other necessary work, inclusive of the directly or indirectly related to the approved time extension, required to complete the Change order items. This document will become a supplement of the contract and all provisions will apply hereto. It is understood that the Change Order shall be effective when approved by the Owner.

Contractor accepts the terms and conditions stated above as full and final settlement of any and all claims arising out of or related to the subject of this Change Order and acknowledges that the compensation (time and cost) set forth herein comprises the total compensation due for the work or change defined in the Change Order, including all impact on any unchanged work. By signing this Change Order, the Contractor acknowledges and agrees that the stipulated compensation includes payment for all Work contained in the Change Order, plus all payment for any acceleration or interruption of schedules, extended overhead costs, delay, and all impact or cumulative impact on all Work under this Contract. The signing of this Change Order acknowledges full mutual accord and satisfaction for the change and that the stated time and/or cost constitute the total equitable adjustment owed the Contractor as a result of the change. The Contractor hereby releases and agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further claim or request for equitable adjustment of any type, for any reasonably foreseeable cause that shall arise out of, or as a result of, this Change Order and/or its impact on the remainder of the Work under the Contract.

Accepted:

DocuSigned by:

Rebecca Langer

1D68C77F1BA94CB

(Signature) Contractor's Authorized Representative

3/17/2025

Date

Recommended:

Signed by:

William Anaya

43070E830C2F2D8

(Signature) Design Professional Authorized Representative

4/7/2025

Date

Approved:

(Signature) Sonoma Valley Health Care District

Date

Item No.	Justification for Change(s)
1	Casework, plumbing, & electrical outlet to be related 2' for accessible knee clearance
2	Repair existing partition studs if previously compromised, ACD 001 per detail

This Contract Change Order consists of **2 pages** and any exhibits attached to this Contract Change Order shall not be part of the Contract Change Order unless specifically initialed by or on behalf of both the Contractor and the Sonoma Valley Healthcare District.

Ridgeview Builders, Inc.



CHANGE ORDER REQUEST

COR #:

5

NMA 005

RFI 06

Project:

ICU Nurse Station Replacement Project

Contractor:

Ridgeview Builders, Inc.

Via

Architect

Owner

Contractor

Consultant

Inspector

Email

Yes

Yes

Yes

No

No

Owner: Sonoma Valley Healthcare **Arch Job #:** 22103

Date Issued:

3/6/2025

DESCRIPTION:

Discovered Condition: Existing drain line penetrates directly below the handwash sink, and impedes the accessible knee clearance. The casework, plumbing and electrical outlet will be relocated 2' so the accessible knee clearance is compliant. E1.0 – Keynote #8 added for note to modify receptacle mounting requirements at sink. P1.0 – Added sheet keynote #3 & 4 to modify existing rough-in requirements at new sink location.

MODIFICATION TO \$
CONTRACT SUM:

19,761.11

MODIFICATION TO
CONTRACT TIME:

7

Contractor's Signature:

[Handwritten Signature]

Date:

3/13/2025

ARCHITECTS ACTION:

☐

Review and Comment Only,
Forward to Owner

☐

REJECT - Received Too Late

☐

REJECT - Inadequate Back-Up

☐

REJECT - Not in Proper Form

CHANGE ORDER REQUEST WORKSHEET

COR #: 5
RFP RFI 06

Line	TITLE: Discovered Condition: Existing drain line penetrates directly be	ADDED	CREDIT
ALL LINES SHALL BE FILLED IN (zero values acceptable).			
GENERAL CONTRACTOR'S WORK			
1	Material (attach itemized quantity and unit cost <u>plus</u> sales tax)	\$ -	\$ -
2	Labor (attach itemized hours and rates) \$126.74 hrs 5.00	\$ 633.70	\$ -
3	Equipment (attach invoices)	\$ -	\$ -
4	Subtotal	\$ 633.70	\$ -
5	General Contractor's Overhead and Profit, Self-Performed Work not to exceed fifteen percent (10%) of line 4.	\$ 63.37	\$ -
6	Subtotal	\$ 697.07	\$ -
7	Liability and Property Damage Insurance, Worker's Compensation Insurance, Social Security, and Unemployment Taxes, not to exceed twenty-five percent (25%) of line 2.	\$ 158.43	\$ -
8	Subtotal General Contractor Work (sum of lines 4, 6, & 7.)	\$ 855.50	\$ -
SUBCONTRACT WORK (Provide separate breakdown for each subcontract)*			
9	Material (attach itemized quantity and unit cost <u>plus</u> sales tax)	\$ -	\$ -
10	Labor (attach itemized hours and rates)	\$ -	\$ -
11	Equipment (attach invoices)	\$ -	\$ -
12	Subtotal	\$ -	\$ -
13	Subcontractor's overhead and profit on work performed by Sub-contractor, not to exceed fifteen percent (15%) of line 12.	\$ -	\$ -
14	Subtotal See attached	\$ 17,636.33	\$ -
15	General Contractor's Overhead and Profit on subcontract work, not to exceed five percent (5%) of line 14.	\$ 881.82	\$ -
17	Total of Subcontract Work (sum of lines 12, 14 and 15)	\$ 18,518.15	\$ -
18	Subtotal General Contractor and Subcontractor Work (sum of lines 8 and 17.)	\$ 19,373.64	\$ -
19	Applicable Taxes (itemized by levy and by contract)	\$ -	\$ -
20	Subtotal (sum of lines 18 and 19)	\$ 19,373.64	\$ -
21	Bond not to exceed one percent 2%) of line 20.	\$ 387.47	\$ -
22	TOTAL (sum of lines 20 and 21.)	\$ 19,761.11	\$ -

Attach additional copies of this page as required to summarize additional subcontracts.



CVE | PROFESSIONAL
ABATEMENT
SOLUTIONS
CENTRAL VALLEY ENVIRONMENTAL

PROVIDING SERVICES THROUGHOUT THE WEST COAST

North Bay – 310 Professional Center Dr., Rohnert Park, CA 94928- Ph: (707) 584-1900 F: (707) 238-4292

CONTRACTOR'S LICENSE # 974852 DOSH REGISTRATION # 1064

COP#2

Attn Estimating

03/12/2025

ICU Nurse Station Replacement
347 Andrieux St, Sonoma, CA 95476

Scope of Work: Additional IC Set Up & Tear Down

1. Set up additional infection control within ICU.
2. Includes return trip to tear down and demobilize.

COP#2 Total: \$5,133.00

Materials & Equipment	1	
Supervisor - PVV	8	6
Worker - PVV	8	6

765.00 each	\$765.00
156.00 hour	\$2,184.00
156.00 hour	\$2,184.00
Waste, Permit, Labor, Etc	
GRAND TOTAL	\$5,133.00

Includes Prevailing Wages
CVE DIR # 1000001557

Exclusions:

1. Any other demolition or services not noted in this proposal.
2. Any unforeseen conditions.
3. Any PLA's, union contracts, bonding, or addendums.
4. Any protection of anything existing to remain.
5. Any safe-off to existing services.



CBS PLUMBING & HEATING, INC.

LICENSE NO. 294171

300 W. ROBLES AVENUE UNIT E P.O. BOX 2385 SANTA ROSA, CALIFORNIA 95405

PHONE (707) 585-1171 FAX (707) 585-3679

3/6/2025

Attn: Tom Langer

Re: SVH – ICU Nurse Station – RFI 006 – Relocate Plumbing for (N) Sink Location

Tom,

Here is your price to relocate the waste, domestic water, and condensate lines for the new sink location. Price includes sterilization of domestic water piping. Please see the attached labor and material breakdown sheet.

Please feel free to call with any questions or concerns.

Total: \$9,599.00

Respectfully,

David Duty

Vice President/Estimator

ESTIMATE SHEET

PAGE NO.

OF

PAGE

JOB NAME	Sonoma Valley / ICU	CONTRACTOR	ESTIMATE NO.
LOCATION	Nurse Station	ARCHITECT	DATE 3.6.25
ESTIMATOR		CHECKED BY	BID DATE
JOB DESCRIPTION	RFI 1006 - Relocate Plumbing for 1AD Sink location		

Waste-Water - Cond

FORWARD

DESCRIPTION	QUANTITY	Ø	MATERIAL	LABOR	SUBCONTRACT	TOTAL
Misc Waste material	1		300			300 ⁰⁰
Condensate's						
1" L Hard Cop Pipe	20'	7 ²⁸	147 ⁶⁰			147 ⁶⁰
1" Cop Coup	4	4 ²⁸	17 ¹²			17 ¹²
1" " 90°	8	7 ⁸¹	62 ⁴⁸			62 ⁴⁸
1" " 45°	4	11 ⁰⁹	44 ³⁶			44 ³⁶
Hangers/straps. In wall	8	8 -	64 ⁰⁰			64 ⁰⁰
Domestic Water						
1/2" L Hard Cop Pipe	20'	3 ⁰⁷	61 ⁴⁰			61 ⁴⁰
1/2" Cop 90°	10	1 ⁴⁵	14 ⁵⁰			14 ⁵⁰
1/2" " Coup	4	1 ⁰⁸	4 ³²			4 ³²
Hangers in wall	8	8 -	64 ⁰⁰			64 ⁰⁰
1 x 1/2" Cop Tee	2	15 ⁵⁶	31 ¹²			31 ¹²
1/2 x 1/4" MIP Cop adpt	2	9 ⁰²	18 ⁰⁴			18 ⁰⁴
1/4" Nibua T-585-80-LF B. V	2	24 ⁰⁰	48 ⁰⁰			48 ⁰⁰
1/4 Brass IPS Brass Plug	2	2 ⁴³	4 ⁸⁶			4 ⁸⁶
1/2" Cop Caps	2	1 ⁰⁴	2 ⁰⁸			2 ⁰⁸
1" Cop Coup	4	4 ²⁸	17 ¹²			17 ¹²
Sterilization					3200	3200 ⁰⁰
Labor @ 139.11/Hr x 8 = 1112.88	4 day	1112 ⁸⁸		4451 ⁵²		4451 ⁵²
TOTAL COSTS			901 ⁰⁰	4451 ⁵²	3200 ⁰⁰	8552 ⁵²

MISC. JOB EXPENSES

AMOUNT

9599:00

material.

Tax 9.25%

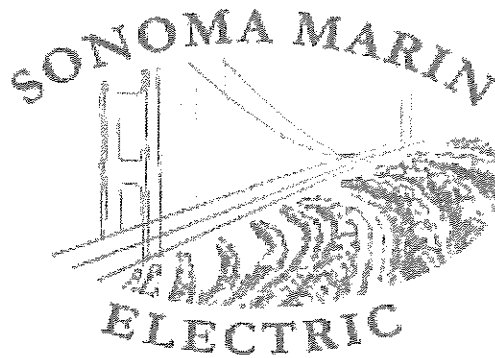
OVERHEAD 10%

Libor

PROFIT 5 %

Subj: 15%

210 564111



PROJECT CHANGE ORDER REQUEST

SVH Nurse Station Replacement

Date: 03/03/2025

REFERENCE: RFI 6

PCO NUMBER: 1

TIME IMPACT: 1 Working Day

PCO SUBJECT: Relocate Hand Sink

TO:

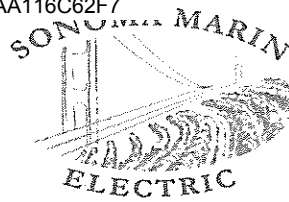
Rebecca Langer
Ridgeview Builders, Inc.
3100 Dutton Ave. St. 104
Santa Rosa CA, 95407

RETURN:

Ian Muskar
Sonoma Marin Electric, Inc.
1971 Green Hill Rd.
Sebastopol, CA 95472

SCOPE OF WORK:

Per revised E1.0, relocate existing receptacle at hand sink approximately 24" to the left. Intercept existing 3/4" EMT conduit in accessible ceiling location, ring conduit, install J-box, MC whip into existing stud wall to new receptacle location. Work requires power shutdown for circuits 3EA-13, 3EA-15, and 3EA-17. These circuits are generally located in the immediate area and appear to be dedicated circuits not currently being utilized.



CONTRACTOR CHANGE ORDER

PROJECT NAME	SVH ICU	CHANGE ORDER NO	1
PROJECT LOCATION	347 Andrieux St, Sonoma	DATE OF REQUEST	03/03/2025

CONTRACTOR ITEMIZED BREAKDOWN OF WORK

MATERIAL NAME & DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT
- MISC. 3/4" EMT, connectors, couplings, back box, straps, supports, Hospital MC, and conductors - Tax	1	\$100	\$100.00
	1	9.75%	\$9.75

SUBTOTAL	\$109.75
MARK UP	on \$100.00 @ 15% = \$15.00
TOTAL	\$125.75

LABOR	NO. OF HRS	RATE	AMOUNT
Foreman 1		\$130.29	
Journeyman 1	8	\$100.83	\$806.64
Apprentice 1	8	\$86.67	\$693.36
Apprentice 2			

SUBTOTAL	\$1,500.00
MARK UP	@ 15% = \$225.00
TOTAL	\$1,725.00

EQUIPMENT	NO. OF HRS	RATE	AMOUNT
Vehicle 1	8	\$57.26	\$458.08
Vehicle 2	8	\$57.26	\$458.08

SUBTOTAL	\$916.16
MARK UP	@ 15% = \$137.42
TOTAL	\$1,053.58

SUBCONTRACTOR	SUB PCO #	COMPANY NAME	AMOUNT
MATERIAL			
TAX ON MATERIAL			
LABOR			

SUBTOTAL	
MARK UP	
TOTAL	

GRAND TOTAL	\$2,904.33
-------------	------------

CONTRACTOR:
Sonoma Marin Electric, Inc.
1971 Green Hill Rd.
Sebastopol, CA 95472

San Muskar

DATE: 03/03/2025

CLIENT:
Ridgeview Builders, Inc.
3100 Dutton Ave.
Santa Rosa, CA 95407

DATE:



**DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION
OFFICE OF STATEWIDE HOSPITAL PLANNING AND DEVELOPMENT**

Non-Material Alteration (NMA) Change Form

NMA Number: 005	Facility ID Number: 11064	Client Document Name: RFI 006	Issue Date: 02/26/54
Facility Name and Address: Sonoma Valley Hospital 347 Andrieux St, Sonoma, CA		HCAI/OSHPD Project Name and Number: ICU Nurse Station Remodel - 22103 SVH ICU Refresh	
Subject of NMA Change: Relocate Hand Wash Sink		<input type="checkbox"/> Contractor RFI <input checked="" type="checkbox"/> Field Condition <input type="checkbox"/> Owner Request <input type="checkbox"/> DPOR Revision <input type="checkbox"/> OIL Resolution	Attached Drawings/Sketches: A2.1, E1.0, P1.0
Description of NMA Change: If NMA is clearing outstanding item(s), provide details. Discovered Condition: Existing drain line penetrates directly below the handwash sink, and impedes the accessible knee clearance. The casework, plumbing and electrical outlet will be relocated 2' so the accessible knee clearance is compliant. E1.0 – Keynote #8 added for note to modify receptacle mounting requirements at sink. P1.0 – Added sheet keynote #3 & 4 to modify existing rough-in.			
AOR/EOR Stamp and Signature. <i>Only required if not attaching drawings/sketches.</i>		HCAI/OSHPD Concurrence and Date:	

Check the Type of Non-Material Alteration Change this NMA Represents – Reference CAC Section 7-153(b):

<input type="checkbox"/>	1. Clarification and interpretation of plans and specifications where substantiating structural calculations are not required.
<input type="checkbox"/>	2. Construction means and methods.
<input type="checkbox"/>	3. Substitutions of equipment, products, or materials without increasing loads to mechanical, plumbing, electrical systems, or increasing lateral or gravity loads.
<input type="checkbox"/>	4. New details that are referenced standards or preapproved details or based on other approved reference standards or preapproved details. Reference to the approved details must be shown.
<input type="checkbox"/>	5. Final routing configurations of ducts, conduits, pipes, etc., where shown diagrammatically on the approved plans.
<input type="checkbox"/>	6. Dimensional changes to rooms that do not affect code required minimum dimensions, fixed dimensions, minimum room or space requirements and required clearances.
<input type="checkbox"/>	7. Relocation of doors, windows, electrical switches and outlets, plumbing fixtures, etc., without code implications.
<input checked="" type="checkbox"/>	8. Cabinetry relocation or reconfiguration without code implications.

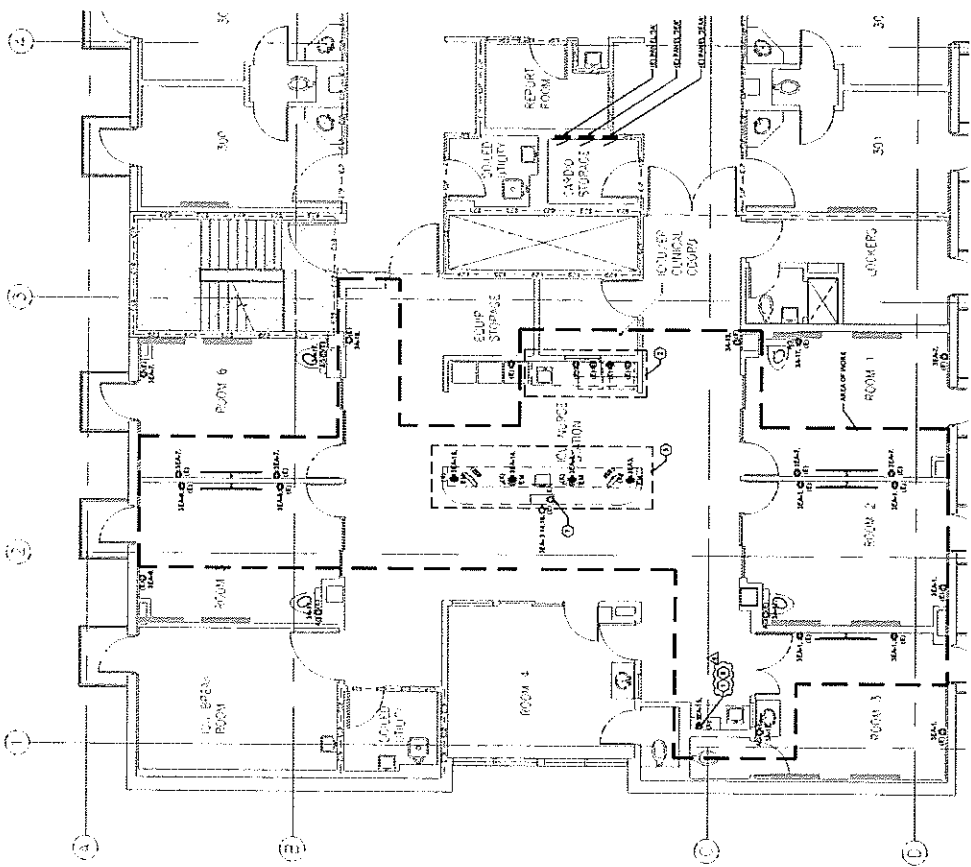
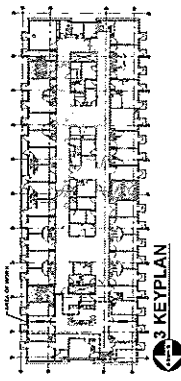
Design Professional of Record

By my signature below, I acknowledge that the documents for the submittal type above have been reviewed and have been found to be in conformance with CAC Section 7-153(b) and the design of the project.

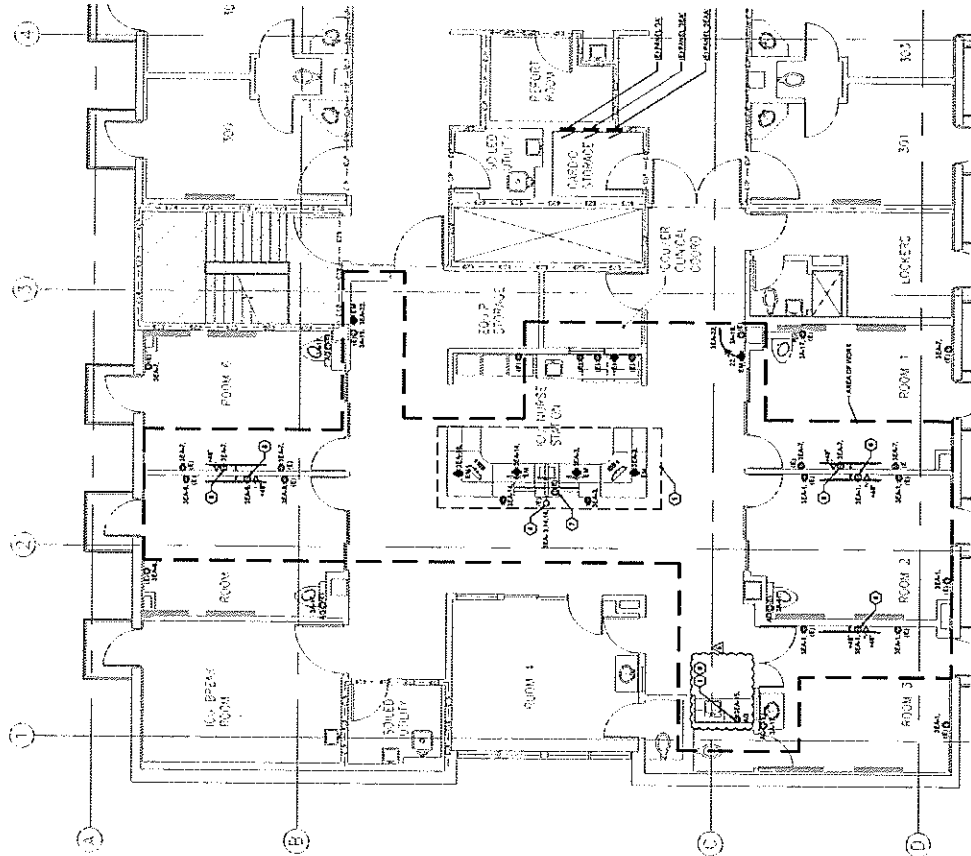
Signature of Architect or Engineer in Responsible Charge 	Date: 02/26/25
---	--------------------------

GENERAL SHEET NOTES

1. REFER TO THE GENERAL NOTES FOR THE PROJECT FOR A COMPLETE LIST OF NOTES.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
3. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
4. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
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7. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
8. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
9. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
10. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.



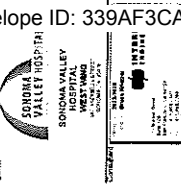
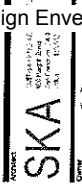
1 PARTIAL DEMO 3RD FLOOR FLOOR PLAN - WEST WING ICU NURSE STATION - POWER AND SIGNAL



2 PARTIAL 3RD FLOOR FLOOR PLAN - WEST WING ICU NURSE STATION - POWER AND SIGNAL

O SHEET KEYNOTES

1. REFER TO THE GENERAL NOTES FOR THE PROJECT FOR A COMPLETE LIST OF NOTES.
2. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.
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10. ALL WORK SHALL BE IN ACCORDANCE WITH THE 2018 IBC AND 2018 IRC.



22103
CONTINUED

ICU NURSE STATION

ICU NURSE STATION

ICU NURSE STATION

ICU NURSE STATION

ICU NURSE STATION

ICU NURSE STATION

ICU NURSE STATION

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- FREE 147601.0 DWS - P1.0 | EN* - 2/25/2023 3:30 PM NY T0005 | PLOT: 2/25/2023 3:41 PM BY T000 SMOOTPC

Type of Non-Materially Altered Change - Reference CAC 7-153(b):

1. Clarification/interpretation of plans and specifications without structural calculations.
2. Construction means and methods.
3. Substitutions of equipment, products, or materials without increasing loads to MPE systems, or increasing lateral or gravity loads.
4. New details based on other approved details in whole or part, including referenced standards.
5. Final routing configurations of ducts, conduits, pipes, etc., where shown diagrammatically on the approved plans.
6. Dimensional changes to rooms that do not affect code required minimums or space requirements.

Non-Material Altered (NMA) Change Log

- 7. Relocation of doors, windows, switches, outlets, plumbing fixtures, etc., without code implications.
- 8. Cabinetry relocation/reconfiguration without code implications.

Ridgeview Builders, Inc.**CHANGE ORDER REQUEST**

COR #: 6
ACD 001

Project:	Contractor:	Via	Email
ICU Nurse Station Replacement Project	Ridgeview Builders, Inc.	Architect	Yes
		Owner	Yes
Owner: Sonoma Valley Healthcare Arch Job #: 22103		Contractor	Yes
		Consultant	No
		Inspector	No

Date Issued: 3/13/2025

DESCRIPTION:

REPAIR EXISTING PARTITION STUDS IF PREVIOUSLY COMPROMISED, ACD 001 PER DETAIL 7/A6.4

MODIFICATION TO \$ 8,439.44
CONTRACT SUM:

MODIFICATION TO 7
CONTRACT TIME:

Contractor's Signature:

Date:

3/13/2025

ARCHITECTS ACTION:

☐

Review and Comment Only,
Forward to Owner

☐

REJECT - Not in Proper Form

☐

REJECT - Received Too Late

☐

REJECT - Inadequate Back-Up

CHANGE ORDER REQUEST WORKSHEET

COR #: 6
ACD 001 0

Line	TITLE: REPAIR EXISTING PARTITION STUDS IF PREVIOUSLY COM	ADDED	CREDIT
ALL LINES SHALL BE FILLED IN (zero values acceptable).			
GENERAL CONTRACTOR'S WORK			
1	Material (attach itemized quantity and unit cost <u>plus</u> sales tax)	\$ 550.00	\$ -
2	Labor (attach itemized hours and rates) \$126.74 hrs 40.00	\$ 5,069.60	\$ -
3	Equipment (attach invoices)	\$ 750.00	\$ -
4	Subtotal	\$ 6,369.60	\$ -
5	General Contractor's Overhead and Profit, Self-Performed Work not to exceed fifteen percent (10%) of line 4.	\$ 636.96	\$ -
6	Subtotal	\$ 7,006.56	\$ -
7	Liability and Property Damage Insurance, Worker's Compensation Insurance, Social Security, and Unemployment Taxes, not to exceed twenty-five percent (25%) of line 2.	\$ 1,267.40	\$ -
8	Subtotal General Contractor Work (sum of lines 4, 6, & 7.)	\$ 8,273.96	\$ -
SUBCONTRACT WORK (Provide separate breakdown for each subcontract)*			
9	Material (attach itemized quantity and unit cost <u>plus</u> sales tax)	\$ -	\$ -
10	Labor (attach itemized hours and rates)	\$ -	\$ -
11	Equipment (attach invoices)	\$ -	\$ -
12	Subtotal	\$ -	\$ -
13	Subcontractor's overhead and profit on work performed by Sub-contractor, not to exceed fifteen percent (15%) of line 12.	\$ -	\$ -
14	Subtotal See attached	\$ -	\$ -
15	General Contractor's Overhead and Profit on subcontract work, not to exceed five percent (5%) of line 14.	\$ -	\$ -
17	Total of Subcontract Work (sum of lines 12, 14 and 15)	\$ -	\$ -
18	Subtotal General Contractor and Subcontractor Work (sum of lines 8 and 17.)	\$ 8,273.96	\$ -
19	Applicable Taxes (itemized by levy and by contract)	\$ -	\$ -
20	Subtotal (sum of lines 18 and 19)	\$ 8,273.96	\$ -
21	Bond not to exceed one percent 2%) of line 20.	\$ 165.48	\$ -
22	TOTAL (sum of lines 20 and 21.)	\$ 8,439.44	\$ -

Attach additional copies of this page as required to summarize additional subcontracts.

Sonoma Valley Hospital
ICU Upgrade Project | Budget Summary | April 2025

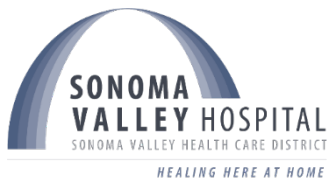
	A	B	C (A+B)	D	E	F (D+E)	G	H (F-G)	
Line Item	Board Approved Budget	Contingency Allocations	Current Budget	Committed Cost	Requested Changes	Committed Cost w Requested Changes	Incurred Costs	Balance To Finish	Projected Final (Over) / Under
Preconstruction	-	-	-	-	-	-	-	-	-
Feasibility Study	-	-	-	-	-	-	-	-	-
Design	122,159	4,500	126,659	126,659	-	126,659	66,741	59,918	-
Architect	122,159	4,500	126,659	126,659	-	126,659	66,741	59,918	-
Permits and Fees	18,870	-	18,870	8,000	-	8,000	7,481	519	10,870
OSHPD	18,870	-	18,870	8,000	-	8,000	7,481	519	10,870
City of Sonoma	-	-	-	-	-	-	-	-	-
FF&E	67,090	3,506	70,596	46,687	-	46,687	37,796	8,891	23,908
FF&E Vendor	67,090	3,506	70,596	46,687	-	46,687	37,796	8,891	23,908
Construction	302,000	19,019	321,019	321,019	28,201	349,219	57,217	292,003	-
General Contractor	302,000	19,019	321,019	321,019	28,201	349,219	57,217	292,003	-
Medical Equipment	-	-	-	-	-	-	-	-	-
Medical Equipment	-	-	-	-	-	-	-	-	-
Project Management	22,065	-	22,065	48,290	-	48,290	29,969	18,322	(26,225)
Professional Labor	22,065	-	22,065	48,290	-	48,290	29,969	18,322	(26,225)
Preconstruction	4,929	-	4,929	4,929	-	4,929	4,929	-	-
Design Fees	-	-	-	-	-	-	-	-	-
Panel Load Study	3,905	-	3,905	3,905	-	3,905	3,905	-	-
Bidding Fees	1,024	-	1,024	1,024	-	1,024	1,024	-	-
Testing & Inspection	15,000	-	15,000	15,000	-	15,000	2,810	12,190	-
Special Inspections	-	-	-	-	-	-	-	-	-
IOR	15,000	-	15,000	15,000	-	15,000	2,810	12,190	-
IT	10,000	9,028	19,028	18,714	-	18,714	-	18,714	314
IT Vendor	10,000	9,028	19,028	18,714	-	18,714	-	18,714	314
Project Contingency	67,310	(36,052)	31,258	-	-	-	-	-	3,057
Contingency	67,310	(36,052)	31,258	-	-	-	-	-	3,057
Project Totals	\$ 629,423	\$ -	\$ 629,423	\$ 589,298	\$ 28,201	\$ 617,499	\$ 206,943	\$ 410,556	\$ 11,924

Contingency Usage Summary

Vendor	Reason	Line Item	Amount	Purpose
Comtel	Scope Change	IT	\$ 9,028	Nurse call integration for TVs in patient rooms - missed during scoping and needed for new TVs on footwall to work with pillow speakers -critical functionality.
Ridgeview Builders	Change Order #1	Construction	\$ 9,046	Change order for substitution of flooring material used.
Ridgeview Builders	Change Order #2	Construction	\$ 6,775	Change order for additional flooring in Alcove W300D. Alcove was not included in original bidding documents.
Ridgeview Builders	Change Order #3	Construction	\$ 3,197	To supply and install concrete anchor wedges for furniture installation (not part of original bid).
Trope Furniture	Change Order #1	FF&E	\$ 3,506	ADA Sink Modifications due to unforeseen conditions
SKA	Change Order #1	Architect	\$ 4,500	Design cable pathway and connection from patient headboard to the in-room TV to enable channel and volume control from the patient remote.
Total Project Contingency Utilized			\$ 36,052	
Project Contingency Initial Budget			\$ 67,310	
Remaining Project Contingency			\$ 31,258	

Requested Changes

Vendor	Reason	Line Item	Amount	Purpose
Ridgeview Builders	Change Order #4	Construction	\$ 28,201	Casework, plumbing, & electrical outlet to be related 2' for accessible knee clearance. Repair existing partition studs if previously compromised.
Total Contingency Utilized w Requested Changes			\$ 64,253	
Remaining Contingency After Requested Changes			\$ 3,057	



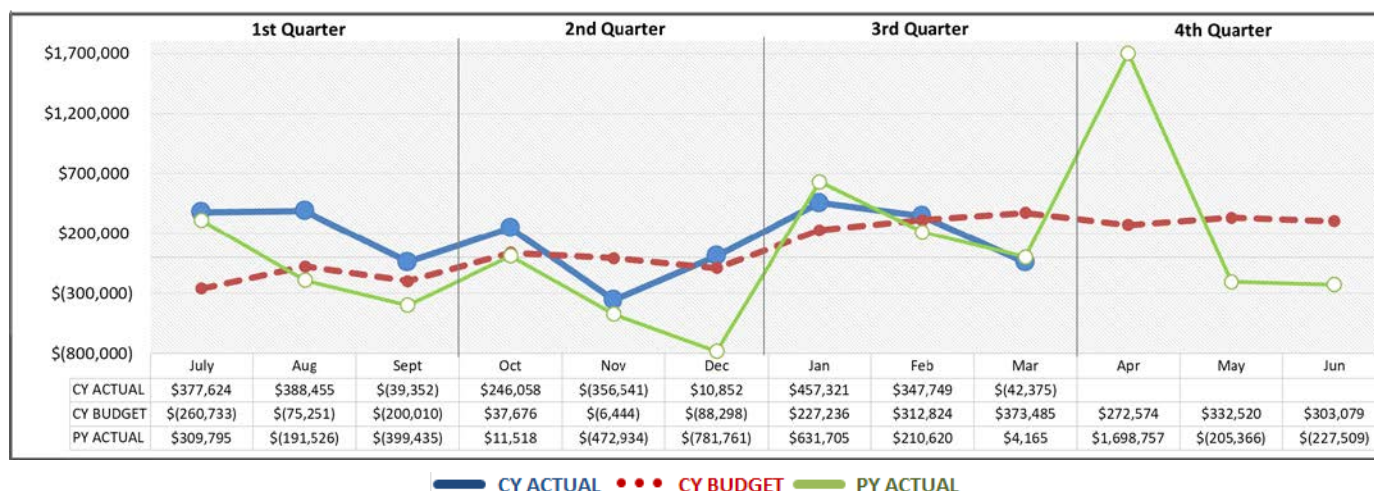
To: SVHCD Board of Directors
 From: Ben Armfield, Chief Financial Officer
 Date: April 30, 2025
 Subject: Financial Report for March 2025

OVERALL PERFORMANCE SUMMARY

While March fell short of budget from a financial standpoint, the hospital still delivered solid operational performance across most key service lines. The unfavorable budget variance was primarily driven by higher-than-expected expenses, particularly in employee benefits and supply costs. Importantly, overall revenues exceeded budget, and volumes remain strong.

- **Operating EBDA** (with Parcel Taxes) – The hospital posted an **Operating EBDA of (\$42,400)** in March, falling below the budgeted \$373,500 by **\$415,900**. Although this represents a notable variance, it was driven almost entirely by expense pressures, with revenues continuing to trend positively. Year-to-date, the hospital remains ahead of budget on Operating EBDA by over \$1 million.
- **Operating Revenues** – Total operating revenue for the month was **\$5.93 million**, exceeding budget by **\$269,000 (5%)**.
- **Operating Expenses** - Total expenses for March were **\$6.80 million**, exceeding budget by **\$712,000 (12%)**. The majority of the overage stemmed from higher employee benefit costs, which came in approximately \$200,000 over budget due to large health insurance claims processed through our self-insured captive plan. In addition, supply costs trended above budget, but this was largely attributable to the increase in surgical volume and corresponding use of chargeable and operating supplies. While expense growth is something we are monitoring closely, much of this month's variance can be tied to volume-related and non-recurring activity.
- **Cash** – The hospital ended the month with **34.5 Days Cash on Hand**.

Trended Operating EBDA (Includes Parcel Taxes)



Overall Performance (In 1000s, Includes Parcel Taxes) | March 2025

	Current Month				Year-To- Date						
	Actual	Budget	Var	%	Actual	Budget	Var	%	PY Actual	Var	%
Operating EBDA	\$ (42.4)	\$ 373.5	\$(415.9)	-111%	\$ 1,389.8	\$ 320.5	\$ 1,069.3	334%	\$ (677.9)	\$ 2,067.6	305%
Operating Revenues	\$ 5,929.9	\$ 5,661.2	\$ 268.7	5%	\$ 48,137.7	\$ 45,662.0	\$ 2,475.8	5%	\$ 43,191.9	\$ 4,945.8	11%
Operating Expenses	\$ 6,289.0	\$ 5,600.2	\$ 688.8	12%	\$ 49,597.9	\$ 48,154.0	\$ 1,444.0	3%	\$ 46,719.7	\$ 2,878.2	6%

DRIVERS IN MONTHLY PERFORMANCE

- **Inpatient Activity** – March delivered an ADC of **11**, exceeding budget by **22%**, with discharges also up by **13%**. This marks one of the busiest inpatient months this fiscal year.
- **Surgical Volumes** - Surgical activity rebounded with **176 cases** in March, exceeding budget by **10%**. This represents the busiest month in the OR since April of last year. Both inpatient and outpatient surgeries contributed to the growth, with Orthopedics, GI, and Ophthalmology all seeing increased activity.
- **Emergency Room** – Volumes continue to be robust in our ER. We had 926 visits in January, ~29.8 per day.
- **Other Outpatient Activity** - Outpatient volumes remained strong across most departments, once again exceeding budget with a total of **5,894 visits**.
 - **Physical Therapy** – PT delivered 1,395 visits, coming in just below budget. Notably, the budget ramped up in January to reflect the expected completion of the expansion project, so performance is particularly impressive given the ongoing space constraints. The team continues to maximize throughput despite not yet being in the fully expanded footprint.
 - **MRI** – MRI volumes came in just under 200 exams for the month. We continue to make strategic investments in referral development and outreach, including new roadshow-style engagement efforts across the North Bay to raise awareness of the 3T MRI capabilities.
 - **Wound Care** - Continues to deliver consistent, exceptional results, with 267 visits in March—reflecting sustained month-over-month growth.
- **Cash Collections - The hospital collected over \$5.2 million in March**, marking a banner month for cash receipts. This is one of the strongest collection months in recent memory and helped drive a 12% reduction in Days in Net A/R from prior month (57.2 in February to 50.2 in March).
- **Accounts Payable Activity** - Payables increased by approximately 4% from February, driven by a combination of factors. These include timing, as a large number of invoices were received in the final week of March, many of which were construction-related expenses hitting this line, and the accrual of our matching fee liability for two IGT programs (increased AP by over \$600,000). We anticipate that April's payables balance will look significantly different as these items are processed and reconciled.

Reducing payables will be a key financial priority between now and fiscal year-end, and it remains our goal to have accounts payable below prior year-end levels by June 30.

OTHER FINANCE UPDATES

- **Enterprise Resource Planning (ERP) Solution** – After extensive internal evaluation and discussion, we have made the decision to pursue a short-term renewal with our existing ERP system, Paragon. While not ideal from a long-term technology perspective, Paragon remains significantly more cost-effective than its competitors. Our analysis showed that switching ERP vendors would add approximately \$500,000 in incremental cost in FY26, and over \$1 million in added expense over the next five years. While we continue to believe a transition to a new ERP platform is inevitable, the financial investment required is difficult to justify at this time. We will revisit this discussion as part of future capital planning.

- **General Purchasing Organization (GPO) Review** - We are currently evaluating a potential opportunity to switch GPO vendors. Our team is performing due diligence to assess pricing structures, service levels, and potential cost savings. More to come in months ahead but we believe this could be a favorable move for us from a financial standpoint.
- **FY26 Budget Planning** - A verbal update will be provided to the Finance Committee but department-level budget meetings are ongoing and we expect to have a preliminary roll-up available in the next couple of weeks.
- **Rate Range Program Updates** – No tangible update to provide on Rate Range IGT allocations for FY26. We should know more in the next 2-4 weeks.
- **FY25 Audit Fieldwork** - Moss Adams completed on-site fieldwork last week as part of their interim audit procedures. This included mid-year testing of accounts receivable and other balance sheet items. Full-year audit planning remains on track. They will come back out on-site in mid-August.

FINANCE REPORT ATTACHMENTS:

- Attachment A Income Statement
- Attachment B Balance Sheet
- Attachment C Cash Flow Forecast
- Attachment D Key Performance Indicators | Volumes & Statistics
- Attachment E Fiscal Year 2025 Business Plan Tracker

Sonoma Valley Health Care District
Income Statement (in 1000s)
For the Period Ended March 31, 2025

ATTACHMENT A

		Month				Year-To- Date						
Revenues		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
1	Net Patient Revenue	\$ 4,383.2	\$ 4,697.7	(314.4)	-7%	\$ 38,100.8	\$ 36,990.1	1,110.7	3%	\$ 36,550.8	1,550.0	4%
2	IGT Program Revenue	1,419.8	871.5	548.2	63%	9,119.4	7,843.9	1,275.4	16%	5,812.4	3,306.9	57%
3	Parcel Tax Revenue	316.7	312.5	4.2	1%	2,850.0	2,812.5	37.5	1%	2,850.0	-	0%
4	Other Operating Revenue	127.0	92.0	35.0	38%	917.5	827.9	89.6	11%	828.6	88.9	11%
5	Total Revenue	\$ 6,246.6	\$ 5,973.7	272.9	5%	\$ 50,987.7	\$ 48,474.5	2,513.3	5%	\$ 46,041.9	4,945.8	11%
Operating Expenses		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
6	Labor / Total People Cost	\$ 3,303.3	\$ 3,079.7	223.6	7%	\$ 26,362.7	\$ 26,186.1	176.7	1%	\$ 25,100.2	1,262.5	5%
7	Professional Fees	759.0	715.3	43.7	6%	6,154.1	6,137.2	16.9	0%	5,309.6	844.5	16%
8	Supplies	769.7	656.2	113.5	17%	5,767.4	5,458.0	309.4	6%	6,001.3	(233.9)	-4%
9	Purchased Services	484.5	400.8	83.7	21%	3,646.5	3,656.8	(10.3)	0%	3,788.8	(142.3)	-4%
10	Depreciation	514.8	491.7	23.1	5%	4,724.9	4,485.3	239.5	5%	3,927.9	797.0	20%
11	Interest	32.7	29.4	3.3	11%	330.6	265.0	65.6	25%	519.9	(189.3)	-36%
15	Other	361.2	353.7	7.6	2%	3,378.0	3,164.2	213.8	7%	2,936.3	441.7	15%
16	IGT Program Expense	578.6	365.2	213.4	58%	3,958.6	3,286.7	671.9	20%	3,063.5	895.1	29%
17	Operating Expenses	\$ 6,803.8	\$ 6,091.9	711.8	12%	\$ 54,322.8	\$ 52,639.3	1,683.5	3%	\$ 50,647.6	3,675.2	7%
18	Operating Margin	\$ (557.2)	\$ (118.2)	(438.9)	-371%	\$ (3,335.1)	\$ (4,164.9)	830	20%	\$ (4,605.7)	1,270.6	28%
Non Operating Income		CYM Actual	CYM Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%
19	GO Bond Activity, Net	162.8	177.6	(14.8)	-8%	1,454.2	1,598.1	(143.9)	-9%	1,571.9	(117.7)	-7%
20	Misc Revenue/(Expenses)	34.2	10.5	23.6	224%	239.7	94.8	144.9	153%	282.3	(42.6)	-15%
21	Total Non-Op Income	\$ 197.0	\$ 188.1	8.9	5%	\$ 1,693.9	\$ 1,692.9	1.0	0%	\$ 1,854.2	(160.2)	-9%
22	Net Income (Loss)	\$ (360.2)	\$ 69.9	(430.1)	-615%	\$ (1,641.1)	\$ (2,471.9)	830.8	34%	\$ (2,751.5)	1,110.4	40%
23	Restricted Foundation Contr.	67.6	157.4	(89.8)	-57%	2,105.5	1,416.7	688.9	49%	3,586.4	(1,480.8)	-41%
24	Change in Net Position	\$ (292.6)	\$ 227.3	(519.9)	-229%	\$ 464.4	\$ (1,055.2)	1,519.6	144%	\$ 834.8	(370.4)	44%
25	Operating EBDA	\$ (42.4)	\$ 373.5	(415.9)	-111%	\$ 1,389.8	\$ 320.5	1,069.3	334%	\$ (677.9)	2,067.6	305%

Sonoma Valley Health Care District

ATTACHMENT B

**Balance Sheet
As of March 31, 2025
Expressed in 1,000s**

		<u>Current Month</u>	<u>Prior Month</u>	<u>FYE 2024 Prior Year</u>
Assets				
Current Assets:				
1	Cash	\$ 5,572.6	\$ 5,379.6	\$ 3,748.6
2	Net Patient Receivables	7,908.8	8,526.5	11,860.2
3	Allow Uncollect Accts	(893.3)	(903.8)	(4,323.2)
4	Net Accounts Receivable	\$ 7,015.4	\$ 7,622.8	\$ 7,537.0
5	Parcel Tax Receivable	1,730.7	1,730.7	-
6	GO Bond Tax Receivable	975.3	975.3	-
7	Other Receivables	2,394.9	2,195.3	1,647.5
8	Inventory	942.2	947.7	913.4
9	Prepaid Expenses	1,030.0	1,087.0	637.5
10	Total Current Assets	\$ 19,661.2	\$ 19,938.3	\$ 14,484.0
11	Property, Plant & Equip, Net	\$ 59,848.2	\$ 60,242.8	\$ 61,734.0
12	Trustee Funds - GO Bonds	4,801.6	5,010.4	5,957.3
13	Other Assets - Deferred IGT Expense	2,120.4	2,806.1	-
14	Total Assets	\$ 86,431.4	\$ 87,997.7	\$ 82,175.3
Liabilities & Fund Balances				
Current Liabilities:				
15	Accounts Payable	\$ 8,294.3	\$ 7,956.0	\$ 6,443.4
16	Accrued Compensation	4,476.6	4,020.9	3,648.8
17	Interest Payable - GO Bonds	295.0	481.3	189.4
18	Accrued Expenses	388.5	222.6	409.6
19	Deferred IGT Revenue	4,602.4	6,022.2	-
20	Deferred Parcel Tax Revenue	950.0	1,266.7	-
21	Deferred GO Bond Tax Revenue	601.9	802.5	-
22	Line of Credit - Summit Bank	-	-	4,973.7
23	Other Liabilities	-	-	57.5
24	Total Current Liabilities	\$ 19,608.7	\$ 20,772.2	\$ 15,939.9
25	Long Term Debt, net current portion	\$ 27,845.7	\$ 27,955.9	\$ 27,457.8
26	Total Fund Balance	\$ 38,977.0	\$ 39,269.6	\$ 38,777.6
27	Total Liabilities & Fund Balances	\$ 86,431.4	\$ 87,997.7	\$ 82,175.3

<u>Cash Indicators</u>	<u>Current Month</u>	<u>Prior Month</u>	<u>Prior Year FYE</u>
Days Cash	35.9	34.5	22.7
A/R Days	50.2	57.2	60.1
A/P Days	69.2	66.4	55.1

Sonoma Valley Health Care District
Cash Forecast (In 1000s)
FY 2025

ATTACHMENT C

	Actual July	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan	Actual Feb	Actual Mar	Forecast Apr	Forecast May	Forecast Jun	TOTAL
Hospital Operating Sources													
1 Patient Payments Collected	\$ 4,211.7	\$ 4,169.5	\$ 4,265.7	\$ 4,281.0	\$ 4,115.5	\$ 3,960.7	\$ 4,215.3	\$ 3,754.9	\$ 5,221.2	\$ 4,300.0	\$ 4,300.0	\$ 4,300.0	\$ 51,095.4
2 Other Operating Revenue	316.7	106.8	46.0	192.7	75.3	88.8	115.0	107.7	90.1	110.0	100.0	100.0	1,449.1
3 Other Non-Operating Revenue	12.1	20.9	11.4	5.4	16.2	18.0	24.2	13.5	44.3	18.6	3.6	8.0	196.2
4 Unrestricted Contributions	-	8.2	9.5	9.1	6.0	7.6	-	-	-	-	-	-	40.4
5 Sub-Total Hospital Sources	\$ 4,540.5	\$ 4,305.4	\$ 4,332.6	\$ 4,488.2	\$ 4,212.9	\$ 4,075.1	\$ 4,354.5	\$ 3,876.2	\$ 5,355.6	\$ 4,428.6	\$ 4,403.6	\$ 4,408.0	\$ 52,781.2
Hospital Uses of Cash													
6 Operating Expenses / AP Payments	\$ 5,003.0	\$ 4,703.6	\$ 4,628.1	\$ 5,681.0	\$ 5,589.2	\$ 5,094.6	\$ 5,422.8	\$ 5,437.3	\$ 4,807.5	\$ 5,680.0	\$ 5,803.0	\$ 5,977.0	\$ 63,827.2
7 Term Loan Paydown	-	-	-	-	-	116.6	89.7	73.6	73.6	73.6	73.6	73.6	574.1
8 Bridge Loan Payback	-	-	-	-	-	-	758.2	-	-	-	-	-	758.2
9 Capital Expenditures	66.0	1,047.6	177.6	185.2	230.8	7.6	-	109.2	25.0	100.0	100.0	50.0	2,099.0
10 Total Hospital Uses	\$ 5,068.9	\$ 5,751.3	\$ 4,805.7	\$ 5,866.2	\$ 5,820.0	\$ 5,218.8	\$ 6,270.7	\$ 5,620.2	\$ 4,906.1	\$ 5,853.6	\$ 5,976.6	\$ 6,100.6	\$ 67,258.5
Net Hospital Sources/Uses of Cash	\$ (528.5)	\$ (1,445.8)	\$ (473.1)	\$ (1,378.0)	\$ (1,607.1)	\$ (1,143.7)	\$ (1,916.3)	\$ (1,743.9)	\$ 449.5	\$ (1,424.9)	\$ (1,573.0)	\$ (1,692.6)	\$ (14,477.4)
Non-Hospital Sources													
12 Restricted Cash/Money Market													-
11 Restricted Capital Donations	\$ 66.0	\$ 986.4	\$ 177.6	\$ 51.6	\$ 216.7	\$ -	\$ -	\$ 87.0	\$ -	\$ -	\$ -	\$ -	\$ 1,585.3
12 Parcel Tax Revenue	142.5	-	-	1,612.0	-	446.6	-	-	-	1,754.8	-	-	3,955.9
13 Other Payments	-	-	-	653.0	-	-	-	-	-	-	-	-	653.0
14 IGT Payments	-	-	0.9	-	27.0	-	12,553.3	-	-	550.0	-	1,495.0	14,626.1
15 Distressed Hospital Loan Program	3,100.0	-	-	-	-	-	-	-	-	-	-	-	3,100.0
16 Line of Credit Payoff Funding - New Bank	-	-	-	-	1,900.0	-	-	-	-	-	-	-	1,900.0
17 Line of Credit Draw - New Bank	-	-	-	-	5,400.0	-	-	-	-	-	-	-	5,400.0
18 Sub-Total Non-Hospital Sources	\$ 3,308.4	\$ 986.4	\$ 178.4	\$ 2,316.6	\$ 7,543.6	\$ 446.6	\$ 12,553.3	\$ 87.0	\$ -	\$ 2,304.8	\$ -	\$ 1,495.0	\$ 31,220.3
Non-Hospital Uses of Cash													
19 IGT Matching Fee Payments	\$ -	\$ -	\$ -	\$ -	\$ 5,157.6	\$ -	\$ -	\$ -	\$ 230.2	\$ 409.9	\$ 86.5	\$ -	\$ 5,884.2
20 Line of Credit Payoff - US Bank LOC	3,100.0	-	-	-	1,895.5	-	-	-	-	-	-	-	4,995.5
21 Line of Credit Repayment - New LOC	-	-	-	-	-	-	5,400.0	-	-	-	-	-	5,400.0
22 Sub-Total Non-Hospital Uses of Cash	\$ 3,100.0	\$ -	\$ -	\$ -	\$ 7,053.1	\$ -	\$ 5,400.0	\$ -	\$ 230.2	\$ 409.9	\$ 86.5	\$ -	\$ 16,279.7
23 Net Non-Hospital Sources/Uses of Cash	\$ 208.4	\$ 986.4	\$ 178.4	\$ 2,316.6	\$ 490.5	\$ 446.6	\$ 7,153.3	\$ 87.0	\$ (230.2)	\$ 1,894.9	\$ (86.5)	\$ 1,495.0	\$ 14,940.6
24 Net Sources/Uses	\$ (320.1)	\$ (459.4)	\$ (294.7)	\$ 938.6	\$ (1,116.5)	\$ (697.1)	\$ 5,237.1	\$ (1,656.9)	\$ 219.3	\$ 470.0	\$ (1,659.5)	\$ (197.6)	\$ 463.2
25 Total Cash at beginning of period	\$ 3,748.6	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 5,379.6	\$ 5,598.9	\$ 6,068.9	\$ 4,409.4	
26 Total Cash at End of Period	\$ 3,428.5	\$ 2,969.1	\$ 2,674.5	\$ 3,613.0	\$ 2,496.5	\$ 1,799.4	\$ 7,036.5	\$ 5,379.6	\$ 5,598.9	\$ 6,068.9	\$ 4,409.4	\$ 4,211.8	
27 Days of Cash on Hand at End of Month	22.0	19.0	17.1	23.2	16.0	11.5	45.1	34.5	35.9	38.9	28.3	28.1	

Sonoma Valley Health Care District

ATTACHMENT D

Key Performance Indicators | Volumes & Statistics

For the Period Ended March 31, 2025

	Current Month				Year-To- Date							
	Actual	Budget	Var	%	YTD Actual	YTD Budget	Var	%	PYTD Actual	Var	%	
Inpatient Volume												
Acute Patient Days	337	277	60	22%	2,332	2,381	(49)	-2%	2,314	18	1%	
Acute Discharges	82	72	10	13%	616	650	(34)	-5%	629	(13)	-2%	
Average Length of Stay	4.1	3.8	0.3	7%	3.8	3.7	0.1	3%	3.7	0.1	3%	
Average Daily Census	10.9	8.9	1.9	22%	8.5	8.7	(0.2)	-2%	8.4	0	1%	

Surgical Volume

IP Surgeries	13	10	3	24%	84	93	(9)	-10%	119	(35)	-29%	
OP Surgeries	163	150	13	9%	1,199	1,201	(2)	0%	1,305	(106)	-8%	
Total Surgeries	176	160	16	10%	1,283	1,294	(11)	-1%	1,424	(141)	-10%	

Other Outpatient Activity

Total Outpatient Visits	5,894	5,100	794	16%	51,184	45,900	5,284	12%	46,546	4,638	10%	
Emergency Room Visits	926	960	(34)	-4%	8,273	7,690	583	8%	7,624	649	9%	

Payor Mix

	Actual	Budget	%	Actual	Budget	%
Medicare	35.4%	37.7%	-2.3%	37.0%	37.8%	-0.8%
Medicare Mgd Care	22.7%	18.2%	4.5%	20.9%	18.3%	2.6%
Medi-Cal	17.8%	16.2%	1.6%	18.2%	16.2%	2.0%
Commercial	20.6%	23.9%	-3.3%	20.6%	23.8%	-3.2%
Other	3.5%	3.9%	-0.4%	3.2%	3.9%	-0.6%
Total	100.0%	100.0%		100.0%	100.0%	

Payor Mix calculated based on gross revenues

Trended Outpatient Visits by Area

Department	Most Recent Six Months								YoY Monthly Averages			
	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Last 6 Months	FY25	FY24	Chg	% Chg
Lab	1,269	1,443	1,328	1,211	1,461	1,189	1,372		1,328	1,297	31	2%
Medical Imaging	878	1,019	791	917	1,122	980	983		951	927	25	3%
Physical Therapy	1,411	1,481	1,278	1,337	1,500	1,412	1,395		1,406	1,154	252	22%
CT Scanner	458	472	442	426	435	423	428		440	380	60	16%
Occ. Health	162	255	252	229	251	259	338		260	282	(22)	-8%
Mammography	215	275	234	230	287	260	266		243	240	3	1%
Occ. Therapy	294	205	167	210	190	159	205		205	205	(0)	0%
Ultrasound	233	252	183	163	235	206	214		218	217	1	0%
Wound Care	209	277	236	254	280	264	267		248	177	71	40%
MRI	182	222	151	190	163	176	191		176	131	45	34%
ECHO	141	147	110	89	104	148	145		123	115	9	7%
Speech Therapy	66	69	31	69	80	65	57		66	49	16	33%
Other	26	30	19	8	28	24	33		24	20	4	20%
TOTAL	5,544	6,147	5,222	5,333	6,136	5,565	5,894		5,687	5,195	492	9%
Emergency Room	862	894	814	972	993	873	926		918	868	50	6%

Sonoma Valley Hospital | FY25 Business Plan Tracker

ATTACHMENT E

Through March 2025																	
Initiative	Investment	Measurable Outcome *	Financial Impact	Volumes / Impact	July	August	September	October	November	December	January	February	March	April	May	June	YTD
3T MRI	\$1 Million (Temp Trailer)	MRI Exams Incremental Growth over Baseline (>120 scans/month)	Incremental Revenue \$1,250,000	VOLUMES	*3T went live August 2023												
				Baseline (FY24)	95	95	95	95	95	95	95	95	95	95	95	95	855
				FY25 Budget	178	196	184	214	215	215	225	225	230	235	240	240	1,881
				FY25 Actual	130	182	182	222	151	190	163	176	191				1,587
				Actual vs. Budget	(48)	(14)	(2)	8	(64)	(25)	(62)	(49)	(39)				(294)
					↓	↓	↓	↑	↓	↓	↓	↓	↓				↓
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted	\$ 71,400	\$ 86,300	\$ 76,100	\$ 102,200	\$ 103,000	\$ 103,000	\$ 111,600	\$ 111,600	\$ 115,900	\$ 120,100	\$ 124,400	\$ 124,400	\$ 881,100
				FY25 Actual	\$ 30,000	\$ 74,700	\$ 74,700	\$ 109,000	\$ 48,100	\$ 81,500	\$ 58,400	\$ 69,500	\$ 82,400				\$ 628,300
				Actual vs. Budget	\$ (41,400)	\$ (11,600)	\$ (1,400)	\$ 6,800	\$ (54,900)	\$ (21,500)	\$ (53,200)	\$ (42,100)	\$ (33,500)				\$ (252,800)
	↓	↓	↓	↑	↓	↓	↓	↓	↓				↓				
Physical Therapy Expansion	\$2.3 Million	Patient Visits 25% growth over FY24 baseline (50% starting in January)	Incremental Revenue \$475,000	VOLUMES													
				Baseline (FY24)				1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	6,600
				FY25 Budgeted				1,100	1,100	1,100	1,590	1,590	1,590	1,590	1,590	1,590	8,070
				FY25 Actual				1,481	1,278	1,337	1,500	1,412	1,395				8,403
				Actual vs. Budget	-	-	-	381	178	237	(90)	(178)	(195)				333
								↑	↑	↑	↓	↓	↓				↑
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted				\$ -	\$ -	\$ -	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 56,400	\$ 169,200
				FY25 Actual				\$ 43,800	\$ 20,500	\$ 27,300	\$ 46,000	\$ 35,900	\$ 33,900				\$ 207,400
				Actual vs. Budget				43,800	20,500	27,300	(10,400)	(20,500)	(22,500)				\$ 38,200
				↑	↑	↑	↓	↓	↓				↑				
Orthopedist Recruit	TBD	Surgical Cases Exceed 190 surgeries (16/month)	Incremental Revenue \$1,615,000	VOLUMES	*Started performing surgeries late August24												
				Baseline (FY24)	-	-	-	-	-	-	-	-	-	-	-	-	-
				FY25 Budgeted	5	5	10	10	15	15	15	20	20	25	25	25	115
				FY25 Actual	-	11	15	18	15	11	22	15	21				128
				Actual vs. Budget	(5)	6	5	8	-	(4)	7	(5)	1				13
					↓	↑	↑	↑	-	↓	↑	↓	↑				↑
				FINANCIAL IMPACT INCREMENTAL REVENUE													
				FY25 Budgeted	\$ 35,000	\$ 35,000	\$ 70,000	\$ 70,000	\$ 105,000	\$ 105,000	\$ 105,000	\$ 140,000	\$ 140,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 805,000
				FY25 Actual	\$ -	\$ 77,000	\$ 105,000	\$ 126,000	\$ 105,000	\$ 77,000	\$ 154,000	\$ 105,000	\$ 147,000				\$ 896,000
				Actual vs. Budget	\$ (35,000)	\$ 42,000	\$ 35,000	\$ 56,000	\$ -	\$ (28,000)	\$ 49,000	\$ (35,000)	\$ 7,000				\$ 91,000
	↓	↑	↑	↑	-	↓	↑	↓	↑				↑				
ROSA Robot Orthopedic Cases	TBD Incremental Operational Costs	ROSA Joint Replacement Volumes Exceed 124 surgeries over 12 month period (~10/month)	Operational Costs \$ -	VOLUMES													
				FY25 Target								6	6	6	6	6	12
				FY25 Actual								4	7				11
				Actual vs. Target								(2)	1				(1)
												↓	↑				↓
				FINANCIAL IMPACT													
				ROSA Lease Cost								\$ (2,500)	\$ 1,250	\$ -	\$ -	\$ -	\$ (1,250)
				Implant Supply Savings								\$ 8,060	\$ 10,400				\$ 18,460
				Rebate Savings (savings will kick-in once total annual Zimmer spend exceeds \$500,000)								\$ -	\$ -				\$ -
				Actual vs. Target								\$ 5,560	\$ 11,650				\$ 17,210
									↑	↑				↑			
GRAND TOTAL Actual vs. Budget					\$ (76,400)	\$ 30,400	\$ 33,600	\$ 106,600	\$ (34,400)	\$ (22,200)	\$ (14,600)	\$ (92,040)	\$ (37,350)	\$ -	\$ -	\$ -	\$ (106,390)
					↓	↑	↑	↑	↓	↓	↓	↓					↓



SONOMA VALLEY HEALTH CARE DISTRICT BOARD OF DIRECTORS

INVESTMENT POLICY

REVISED AND ADOPTED: 04/30/2025

Review Dates: 6/1989, 3/1996, 3/1999, 7/2000, 12/2001, 3/2005, 12/2007, 2/2022

INTRODUCTION

This statement of investment policy was adopted by the Board of Directors of Sonoma Valley Health Care District (SVHCD) on April 3, 2025, to provide for the creation of, and guidelines for the management of, various funds held by the organization. These policies supersede any and all prior actions regarding investment policies.

For the purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, the following funds will be created, as needed, and held as separate investment pools.

- “Operating Fund”
- “Short-term Reserve Fund”
- “Long-term Reserve Fund”

PROCEDURES

- I. The following procedures will be followed to ensure the investment policy statement is consistent with the mission of SVHCD and accurately reflects current financial conditions:
 - A. The Finance Committee shall review this investment policy annually.
 - B. The Finance Committee will recommend any changes in this policy to the Board of Directors.
- II. The following procedures will be used to determine the dollar amounts to be placed in each of the various funds.
 - A. The Chief Executive Officer (CEO) or his/her designee will recommend the dollar amounts to be held in the Operating Fund and Short-term Reserve Fund.
 - B. The Finance Committee will recommend the dollar amounts to be held in the Long-Term Reserve Fund.

DELEGATION OF AUTHORITY

The Finance Committee is a fiduciary and is responsible for directing and monitoring the investment management of the various fund assets on behalf of SVHCD. As such, the Finance Committee is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to Investment Management Consultant, Investment Manager, Custodian, and additional specialists.

It is anticipated that the services of a registered investment manager may be sought to manage portions of the Long-term Reserve Fund. The following procedure shall be followed to engage a new or replace a current investment manager:

1. The Treasurer and the Finance Committee will recommend the hiring or replacement of an investment manager to the Board of Directors.
2. The Treasurer and the Finance Committee will nominate prospective candidates and send a Request for Proposal to each candidate.
3. The Treasurer and the Finance Committee will review proposals and interview candidates to determine appropriate investment manager(s).
4. The Finance Committee will make the hiring recommendation to the Board of Directors, who shall have the final approval.
5. Investment Manager performance and engagement shall be reviewed by the Finance Committee with a report to the Board of Directors on an annual basis.

OPERATING FUND

PURPOSE

The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of SVHCD in a timely manner.

INVESTMENT OBJECTIVES

The investment objectives of the Operating Fund are:

- Preservation of capital;
- Liquidity; and
- Benchmark investment return within the constraints above and safety and security of all investments.

INVESTMENT GUIDELINES

ALLOWABLE INVESTMENTS

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Operating Fund as follows:

1. Interest bearing Savings Account with a Bank with a rating of AA- or better within the FDIC insurance limits
2. Certificates of Deposit at insured commercial banking organizations with a rating of AA- or better within the FDIC Insurance limits;
3. Money market funds;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.

MATURITY

The maturities on investments for the Operating Fund shall be 12 months or less.

REPORTING

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors;

1. Schedule of investments;
2. Interest income year to date, including yield and benchmark comparison;

SHORT-TERM RESERVE FUND

PURPOSE

The purpose of the Short-term Reserve Fund is to meet the expenses occurring as a result of unanticipated activities and to improve the return on the funds held for expenditure for up to five years.

INVESTMENT OBJECTIVES

The investment objectives of the Short-term Fund are:

- Preservation of capital;
- Liquidity; and
- Benchmark investment return within the constraints above and safety and security of all investments.

INVESTMENT GUIDELINES

ALLOWABLE INVESTMENTS

The Chief Executive Officer (CEO) and Treasurer if authorized by the Board of Directors will invest the Short-term Fund as follows:

1. Interest bearing savings account
2. Certificates of Deposit at insured commercial banking institutions;
3. Money market funds that invest in government backed securities;
4. Interest bearing checking accounts;
5. Direct obligations of the U.S. Government, its agencies and instrumentalities.
6. Mutual funds that invest in direct obligations of the U.S. Government, its agencies and instrumentalities.

MATURITY

The Short-term fund shall have a weighted average maturity of three years or less. The maximum maturity shall be 5 years.

REPORTING

The Chief Executive Officer (CEO) or his/her designee shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:

1. Schedule of Investments which includes schedule of performance since purchase or last 5 years;
2. Interest Income year to date;
3. Current yield and benchmark comparison.

LONG-TERM RESERVE FUND

PURPOSE

The purpose of the Long-term Reserve Fund is to provide secure long-term funding for the mission of SVHCD. The assets of the Long-term Reserve Fund shall be managed in such a way as to facilitate the organization's goals and objectives as outlined by the Board of Directors. Expenditure of the principal is board designated unless otherwise designated by the donor(s) in part or in whole. Also, at the discretion of the Board of Directors, up to 100% of the yearly total return may be utilized for program and agency expenses unless restricted for specific purposes by the donor(s).

INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of the Long-term Reserve Fund is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management of the Long-term Reserve Fund shall be:

- Long-term growth of capital – To emphasize the Long-term growth of principal while avoiding excessive risk. Short-term volatility consistent with the volatility of a comparable market index is anticipated, though management should strive to contain it.
- Preservation of purchasing power – To achieve returns in excess of the rate of inflation plus spending over the investment time horizon in order to preserve purchasing power of agency and Trust assets. Risk control is an important element in the investment of Trust assets.

INVESTMENT GUIDELINES

GENERAL PRINCIPLES

1. Investments shall be made solely in the interest of SVHCD and Long-term Reserve Fund.
2. The assets shall be invested with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in like capacity and familiar with such matters would use in the investment of a like fund.
3. Investment of these funds shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
4. SVHCD may employ one or more investment managers of varying styles and philosophies to attain the Fund's objectives.
5. Cash is to be employed productively at all times by investment in Short-term cash equivalents to provide safety, liquidity and return.

SPECIFIC INVESTMENT GOALS

Over the investment time horizon established it is the goal of the Long-term Reserve Fund assets to realize a total return in excess of the rate of inflation, as measured by the Consumer Price Index.

The goal of the investment manager shall be to meet or exceed the market index selected and agreed upon by the Finance Committee that most closely corresponds to the general principles stated above.

DIVERSIFICATION

Investment management of the assets of the Long-term Reserve Fund shall be in accordance with the following asset allocation guidelines:

Asset Class	Minimum	Maximum	Target
Equities	30%	70%	50%
Fixed Income	30%	70%	35%
Cash Equivalents	0%	20%	7.5%
Real Assets	0%	10%	5%
Alternatives	0%	10%	2.5%

The Finance Committee may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate portfolio, such disciplines must fit within the overall asset allocation guidelines established in this statement.

The Finance Committee will meet annually to monitor and re-evaluate investment allocation in reference to the Long-term Reserve Fund Asset classes.

ALLOWABLE ASSETS

The Long-term Reserve Fund requires that all investment assets be invested in marketable securities, defined as securities that can be traded quickly and efficiently for the Long-term Reserve Fund, with minimal impact on market price.

I. Cash Equivalents

- A.** Treasury bills
- B.** Money market funds (AAA rated only)
- C.** Commercial paper (minimum rating of A1/P1)
- D.** Banker's acceptances (minimum rating of B1)
- E.** Repurchase agreements
- F.** Certificates of deposit

II. Fixed Income Securities

- A.** U.S. Government and Agency securities
- B.** Corporate notes and bonds (investment grade, at least BBB-)
- C.** Mortgage-backed bonds (minimum rating of AA)
- D.** Preferred stock
- E.** Convertible notes and bonds (minimum rating of BBB-)

III. Equity Securities

- A.** Common stocks
- B.** Convertible preferred stocks
- C.** American Depositary Receipts of non-US companies (ADRs)

IV. Mutual Funds that invest in securities as allowed in this statement

To ensure marketability and liquidity, equity investments shall be executed through nationally recognized exchanges such as the New York Stock Exchange, American Stock Exchange and NASDAQ.

PERFORMANCE REPORTING

The Long-term Reserve Fund will be evaluated at least semi-annually on a total return basis. The evaluation will be based on the stated investment goals. Comparisons will show results for the year-to-date including yield and benchmark comparison. The report will be prepared by the Treasurer and will be presented to the Finance Committee at least semiannually. The Finance Committee will present a report to the Board of Directors at least annually.