

**Palomar Pomerado Health  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING**  
Pomerado Hospital, Meeting Room E, 15615 Pomerado Road, Poway  
Tuesday, August 16, 2005 at 7:45 p.m.

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
<b>CALL TO ORDER</b>	8:05 p.m. Quorum comprised Directors Greer, Kleiter, Krider, Larson, Rivera and Scofield. Director Bassett absent with regrets.		
<b>NOTICE OF MEETING</b>	Notice of meeting was posted consistent with legal requirements.		
<b>INTRODUCTION</b>	Chairman Rivera explained the need for this Special Board Meeting and the notice of meeting posted earlier last evening so as to keep the community informed and be in accord with the Brown Act. The building of a new hospital was an enormous undertaking and consequently we would continue to meet as necessary.		
<b>PUBLIC COMMENTS</b>  Mr. Robroy Fawcett	Mr. Robroy Fawcett of Escondido addressed the Board stating that the Escondido Union High School District was looking for fifty acres of land. He distributed a 1-page leaflet of his comments, including map, to the EUHSD Board on this topic, suggesting a site just south of the intersection of Quince St. and 5 <sup>th</sup> Ave., Escondido involving the use of eminent domain with his report indicating that many of the existing buildings on the site were residential structures that were blighted, vacant, or showed a lack of care. Mr. Fawcett further relayed that such a location might be considered as an alternative hospital site in Escondido.	Chairman Rivera thanked Mr. Fawcett for attending the meeting and for his energy and time.	
<b>RE-EVALUATION OF ad hoc SITE COMMITTEE</b> Chairman Rivera	Chairman Rivera explained that he had appointed an ad hoc Site Committee in January, 2005 in response to the City of Escondido appointing such a committee.		

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	<p>He initially asked that Director Kleiter, based upon his involvement with PMC and a longtime resident of San Marcos, sit on that committee. Also as Chairman, he appointed himself, but later when he saw there was need for further input, he asked Director Bassett to sit on that committee, noting her twenty-five years of service at PMC.</p> <p>Chairman Rivera further relayed that during January, Director Kleiter and Michael Covert met with the City of Escondido, discussing the PPH Master Facility Plan in detail, and the rationale for a new hospital at the ERTC site. At one of the subsequent meetings PPH also invited some of the members of the Escondido group, "Citizens for a Downtown Hospital", including Mr. Wally Gutierrez and Dr. Larry Michels. At the end of the meeting it was agreed to disagree.</p> <p>However, there had been ongoing discussions, and unfortunately what was read in the newspapers was not necessarily totally accurate.</p> <p>At the request of other Board Members, and to enable Director Kleiter to update the Board on the new hospital site, Chairman Rivera shared the letter of August 4, 2005 from the City of Escondido, wherein two members of the City Council (Councillors Gallo and Waldron) in regard to the City's compromise proposal of allocating 25 acres for hospital use on the ERTC site, also recognized the City's proposed alternative site on Washington and Spruce as not being an appropriate alternative. In addition, there was desire on the part of the City to work with PPH to develop and reach an agreement on uses for the existing PMC and redevelopment of the surrounding downtown area.</p>		

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Director Kleiter	<p>Director Kleiter informed that there had been four meetings of the ad hoc committee with the City including January 20, April 4, and July 26 so as to address the City's concerns about our plans. Discussions had always been frank and very cordial, with the last two meetings focusing mainly on the City's proposal for the Spruce Street site. The first meeting was when they presented their alternative to us and they had both our staffs investigate the proposal and come back within two weeks. This occurred July 26 when there were a number of attendees including the City Attorney, a Land Use Attorney and our own representatives.</p> <p>PPH presented the City with some of the information we had discovered. This property was in the area between Quince and the railroad tracks (location of new Sprinter line) and included a flood control channel. The City's proposal was for 32 acres in that area.</p> <p>Director Kleiter said he was concerned about the environmental issues because of the presence of other industries in the area such as trash disposal, cement factory, gas plant, Sprinter line (diesel service etc.) We then found from the City of San Diego, that some of the environment issues that existed were on some of the properties in that area.</p> <p>There were ten different parcels – all had records of leaky tanks or environmental issues which had been documented. There would be difficulty in amassing the sites/purchasing the property and dealing with the environmental issues. Also, it did not allow us to get the entire footprint of the hospital on to the site.</p> <p>Director Kleiter continued that the City Council were not aware of the issues that existed underground which had been notified</p>		

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	<p>to us by the County. It would have been difficult to bring that proposal back to the PPH Board because of so many problems and it would also be a considerable amount of time and expense to investigate these further and try to mitigate them.</p> <p>He cautioned that we needed to stay on track as all the months we add to this project adds to additional cost.</p> <p>He also relayed that since that time we received a letter from the City of Escondido to which Chairman Rivera referred earlier, in which the City would now consider a 25 acre parcel for a new hospital at the ERTC site, and enhancement of the existing PMC downtown site for additional uses apart from the proposed Rehab, UrgentCare and PPH office facilities. They would like to discuss what those plans might be. It was hoped to have a meeting with the City to discuss these matters in the near future and to respond to their letter of August 4.</p>		
Michael Covert	<p>Michael Covert commented that Director Kleiter had summed up the matter and in the spirit of doing the right thing, we would be willing to visit the City in that regard. A meeting would be scheduled as soon as possible in include Director Kleiter and Mr. Covert.</p> <p>It was noted that the City's proposal of 25 acres at the ERTC site presented challenges for us, noting that Mr. Abed had asked Mr. Covert whether we could deal with less acreage. The CEO considered that it would not be physically possible to do it but was told during a meeting that it would be 25 acres or nothing.</p> <p>Mr. Covert reiterated that we were still looking forward to purchasing 52 acres. Our option to</p>		

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	<p>purchase at the ERTC site concludes on August 31, 2005, after which we would have to consider other options, noting that we could not work with 25 acres for our new hospital campus.</p>		
<p>Director Kleiter</p>	<p>Director Kleiter stated that the ad hoc Site Committee represents the Board as a sub-committee, but he as a Board Member, is only 1/7 of the Board. Whenever he had provided any opinions or made any decisions, it had always been his own opinion or decision and did not necessarily represent the opinion of the Board.</p>		
<p>Chairman Rivera</p>	<p>Chairman Rivera cautioned that many seem to forget the 2 ½ - 4 years of hard work undertaken in the study of the new PPH Master Facilities Plan. The ERTC site was one of the 5 sites provided to us by the City of Escondido and the field site tours, including those houses which were people's homes that we might displace which we had no wish to do, were all taken into account at that time. The successful passage of Proposition BB allowed us to ensure that we spend the public's money wisely and that we obtain the best site possible for a future new hospital.</p> <p>In reference to Mr. Fawcett's public comments that evening, and the extra time required for eminent domain, Chairman Rivera emphasized that we did not wish to use such powers of eminent domain unnecessarily, as property rights were extremely important to people.</p> <p>We were concerned that every month that passed we could incur more cost if we did not start quickly. Our plans called for following a timeline so as to hopefully accomplish the building for the new hospital in the 2<sup>nd</sup> Qtr of 2010.</p>		

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<b>BOARD MEMBER COMMENTS</b> Director Greer                          Director Scofield	<p>Director Greer noted that there are many growing families in the area and that if we only get 25 acres we will not have sufficient and generally agreed with Chairman Rivera's comments.</p> <p>Director Scofield questioned where the City Council got the idea of 25 acres, strongly stating that PPH was not a redevelopment company and that the Board was not publicly elected to develop the City of Escondido. Our business was to save lives and asked was the City not aware of our need to serve patients within our 800 square mile area. She strongly disagreed with the extra time that would be involved with Mr. Fawcett wanting to employ eminent domain and to "kick people off their land". Director Scofield continued that our Facilities Plan was regularly updated and that it was not financial wisdom to build on such sites.</p> <p>Director Scofield continued that we served all of the people in our 800 square mile area and they deserved the best healthcare we could provide in the most space available. We needed 50 or more acres as we looked to the future. Even to consider 25 acres, she asked where was the heart for the people that this district served.</p>		
Director Krider	<p>Director Krider referred to his business dealings overseas and that many did not know how to plan for hospitals. He had returned, only to find this was happening in Escondido and asked why there was a clash of wills. It appeared that agenda items were different, i.e., City development vs healthcare. 25 acres was not acceptable and it appeared that the City was not interested in healthcare, noting that we had our obligations and responsibilities.</p>		
Director Larson	<p>Director Larson inquired as to whether we had been looking for alternative sites other than</p>		

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	<p>ERTC and Spruce Street.</p> <p>Director Kleiter responded that we had not as we had already gone through seven or nine different options, including combinations of sites which was all done prior to the bond issue. We also went through the whole process with the City of Escondido. We wanted to build a new hospital on a new site.</p> <p>We had looked at the other sites which had not proved to be acceptable. Our consultants had approved the ERTC site. The City of Escondido had only provided one other site for consideration and this was the Spruce Street site. He strongly urged that we should not waste any more time on the Spruce Street site as it was not big enough, has huge environmental and condemnation issues and would restrict our programs for the future. We were not building this facility to replace the existing PMC, but were intending that the future hospital would allow for sufficient expansion for the next fifty years. This was what the people wanted and for which they voted.</p>		
	<p>Director Larson felt that we should be extremely clear that we had done our due diligence. Director Kleiter and the ad hoc Site Committee had done their work and it appeared that the Spruce Street site was not feasible from Director Kleiter's recommendation, which was why as a district, and as a show of good-will he suggested that the City of Escondido may at least rescind their prior resolution refusing to consider the ERTC site for a new hospital that forbade PPH to use the ERTC site.</p> <p>It was costing us \$1 million a month for this project to deliver healthcare to North County. We had a finite amount of money and it was</p>		

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Director Kleiter	<p>incumbent upon the Board as stewards to ensure that delays and costs were minimized. PMC was at capacity with patients in Escondido being delayed by waits in the ED. We needed to have a sense of urgency and that is why the City should show their willingness to work with the District and re-open their prohibition against PPH using the ERTC site. He hoped for an early, and hopefully satisfactory conclusion to this matter. He hoped the new hospital would find a home in Escondido, but it was up to the City of Escondido.</p> <p>As a result he did not mind withdrawing his proposed resolution for the Special Board Meeting to follow, rather than waiting for the 9:30 p.m. meeting, and that the meeting itself be cancelled. He felt however, that the City of Escondido should be made aware of the need for urgency to meet our goals.</p> <p>Chairman Rivera thanked Director Larson for his views and input in the matter.</p> <p>Director Kleiter acknowledged the frustrations of the Board, noting that the ad hoc Site Committee meetings with the City had been helpful with both sides' questions and issues aired. They had reviewed the City's proposal for the Spruce Street site but the ad hoc Committee could not accept it. The City had offered 25 acres at the ERTC site, but neither could we accept that. We had however, come through with a development to the PMC area. It would be hospital district funds and Proposition BB funds that would be spent on the medical facilities, but by doing this we can enhance the City's plans for the downtown area.</p>		



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	<p>We were looking to the City of Escondido for their help on the ERTC site as we had both agreed we wanted the hospital in Escondido. He believed we could cooperate on this.</p> <p>Following a question from Director Krider, Director Kleiter replied that he had taken the Master Facilities Plan with him to the City but they were trying to squeeze our needs into their proposals.</p>		
Future of ad hoc Site Committee	Following further discussion a vote was called for on the future continuation of the PPH ad hoc Site Committee.	<b>MOTION:</b> by Rivera, 2 <sup>nd</sup> by Greer and carried to re-affirm the membership and continuation of the PPH ad hoc Site Committee. All in favor. None opposed.	
<b>HOSPITAL SITE ALTERNATIVES</b>	<p>Chairman Rivera referred to other options. As these are formulated the matter would be brought back to the Finance Committee and to the full Board, noting that these were being pursued in a very active way in a pressured timeframe.</p> <p>Chairman Rivera summed up noting that delays and/or the use of eminent domain were inappropriate. The Spruce Street site would delay us and likely take us to court. The letter from the City realized that this was not a viable option for us.</p> <p>Director Scofield emphasized that our mission was to heal, comfort and promote health. She beseeched the City Council and the public to not threaten any more lives in terms of future healthcare for the District as we were in the business of saving lives and promoting health.</p>		
<b>FINAL ADJOURNMENT</b>	Chairman Rivera requested adjournment of the meeting, and to pull the item posted for the 9:30 p.m. Special Boarding Meeting from that meeting's agenda, ie., "Request to the City of Escondido to Rescind its Resolution Refusing to Consider the ERTC for a New Hospital".	<b>MOTION:</b> by Rivera, 2 <sup>nd</sup> by Krider and carried that the meeting be adjourned, and to pull the item posted for the 9:30 p.m. Special Board Meeting from that meeting's agenda. All in favor. None opposed.	

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		He relayed that if the Board wished to leave they may do so, but as Chairman, he would remain until 9:30 p.m., the posted time for the next meeting.	
<b>SIGNATURES</b> <ul style="list-style-type: none"> <li>▪ <b>Board Secretary</b></li>   <li>▪ <b>Board Assistant</b></li> </ul>	<hr/> <b>Nancy H. Scofield</b>  <hr/> <b>Christine D. Meaney</b>		