

**Palomar Pomerado Health**  
**BOARD OF DIRECTORS**  
**REGULAR BOARD MEETING**  
 Pomerado Hospital, Meeting Room E, Poway  
 Monday, November 12, 2007

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ACTION	FOLLOW-UP/RESPONSIBLE PARTY
CALL TO ORDER	6:35 pm Quorum comprised Directors Bassett, Greer, Kleiter, Krider, Larson, Rivera. (Director Bailey was present and took her seat on the Board following the Oath of Office).		
MISSION AND VISION STATEMENTS	The PPH mission and vision statements are as follows:  <i>The mission of Palomar Pomerado Health is to heal, comfort and promote health in the communities we serve.</i>  <i>The vision of PPH is to be the health system of choice for patients, physicians and employees, recognized nationally for the highest quality of clinical care and access to comprehensive services.</i>		
NOTICE OF MEETING	Notice of Meeting was mailed consistent with legal requirements		
OATH OF OFFICE	Linda Bailey, appointed November 1, 2007, was sworn in. The Oath of Office was administered to Ms Bailey by Lori Holt Pfeiler, Mayor of Escondido, following which Director Bailey took her seat on the Board to fill the vacancy created by the resignation of former Director Gary Powers.	On behalf of the PPH Board of Directors, Chairman Rivera warmly welcomed Director Bailey to the Board.	
PUBLIC COMMENTS <ul style="list-style-type: none"> <li>• Mr. Robroy Fawcett</li> </ul>	Mr. Fawcett thanked the Board Office for ensuring that Board agendas were available online. He then referred to PPH capital position analysts; financial projections; and ERTC soil remediation.		

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<ul style="list-style-type: none"> <li>Ms Jo MacKenzie</li> </ul>	<p>Ms MacKenzie referred to Board agendas being accessible online.</p>	<p>Both were thanked for their public comments.</p>	
<p><b>APPROVAL OF MINUTES</b></p> <ul style="list-style-type: none"> <li>October 8, 2007 Regular Board Meeting; Sp Bd Annual PI Meeting August 27, 2007 and Joint BOD/Strategic Planning Committee Meeting of October 16, 2007</li> </ul>	<p>Director Bassett referred to the Joint BOD/Strategic Planning Committee minutes of October 16 concerning returning military medics and the need for fast-tracking them into medical programs. Director Kleiter noted that this will be added to the Strategic Plan next year and that he would take the matter to HR Committee for Workforce Development, in addition to liaising with Lorie Shoemaker, Chief Nurse Executive.</p>	<p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter and carried to approve the Regular Board minutes of October 8, 2007; Special Board Annual PI Meeting minutes of August 27, 2007 and Joint BOD/Strategic Planning Committee Meeting minutes of October 16, 2007, as submitted. All in favor. None opposed.</p>	
<p><b>APPROVAL OF AGENDA to accept the Consent Items as listed per agenda, including:</b></p> <p><b>PPH Outpatient Imaging Services (this item deferred to end of meeting);</b></p> <p><b>Professional and Medical Director Services Agreements</b>  Valley Radiology Consultants  Medical Group, Inc. – Services of Scott Olson, MD -  Addendum to Add Endovascular Neurointerventional Radiology Services, PMC;</p> <p><b>X-Ray Medical Group Radiation Oncology, Inc – Radiation Oncology Services – PMC</b>  (Nov 1, 2007 – Oct 31, 2010);</p> <p><b>Children’s Specialists of San Diego, Inc. – Third Amendment for Neonatal Services – PMC and Pomerado Hospital (Nov 1, 2007 – Dec 31, 2010)</b></p>		<p><b>MOTION:</b> by Krider, 2<sup>nd</sup> by Bassett and carried to approve the Consent Items as submitted, with the exception of item “E” PPH Outpatient Imaging Services, withdrawn for later discussion, per Director Larson’s request.</p> <p>All in favor. None opposed.</p>	

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<p><b>Medical Director Services Agreement</b>  X-Ray Medical Group Radiation Oncology, Inc – Services of Lori Coleman, MD – Breast Cancer (Sept 25, 2007 – Sept 24, 2008)</p> <p><b>Physician Independent Contractor Agreements</b>  Aria Anvar, BS, MD, MBA – Information Systems Services (Apr 1, 2007 – Mar 31, 2008);  Cerner Physician Advisory Council (CPAC) – Cerner Optimization (May 3, 2007 – May 2, 2008);  Marc Gipsman, MD, and Rick Engel, MD – DocuSys (Sept 1, 2007 – Aug 31, 2008)</p> <p><b>Administrative Services Agreement</b>  William S. Samuel, MD – Quality &amp; Clinical Effectiveness Dept &amp; Stroke Unit – PMC (Jun 14, 2007 – Jun 14, 2008, with one-year renewal option)</p> <p><b>Acceptance of Diversity Commitment Statement (per Aug 21 HR Committee)</b></p>			
<b>PRESENTATIONS</b>	None		
<b>REPORTS</b>			
<b>Medical Staff</b>			
<b>Palomar Medical Center</b>			
<ul style="list-style-type: none"> <li>▪ <b>Credentialing</b></li> </ul>	Jeffrey Rosenberg, MD, on behalf of John J. Lilley, MD, Chief of PMC Medical Staff, and Richard Engel, MD, Chief of Staff elect, presented PMC's requests for approval of Credentialing Recommendations.	<b>MOTION:</b> by Larson, 2 <sup>nd</sup> by Kleiter and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the PMC Medical Staff, as presented. All in favor. None opposed.	

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<p>Escondido Surgery Center</p> <ul style="list-style-type: none"> <li>▪ Credentialing</li> </ul>	<p>Jeffrey Rosenburg, MD., on behalf of Marvin W. Levenson, MD, Administrator/ Medical Director of the Escondido Surgery Center, presented requests for approval of Credentialing Recommendations.</p>	<p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p> <p><b>MOTION:</b> by Bassett, 2<sup>nd</sup> by Kleiter, and carried to approve the PMC Medical Staff Executive Committee credentialing recommendations for the Escondido Surgery Center, as presented. All in favor. None opposed.</p> <p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	
<p>Pomerado Hospital</p> <ul style="list-style-type: none"> <li>▪ Credentialing</li> </ul>	<p>Franklin M. Martin, MD, on behalf of Benjamin Kanter, MD., Chief of Pomerado Medical Staff, presented Pomerado Hospital's requests for approval of Credentialing Recommendations.</p>	<p><b>MOTION:</b> by Bailey, 2<sup>nd</sup> by Kleiter and carried to approve the Pomerado Hospital Medical Staff Executive Committee credentialing recommendations for the Pomerado Medical Staff, as presented. All in favor. None opposed.</p> <p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	
<ul style="list-style-type: none"> <li>▪ Acknowledgements and Presentations to Pomerado Hospital Medical Staff – Oct 2007 Firestorms</li> </ul>	<p>Steve Gold, Interim CAO, Pomerado Hospital, cited eighteen physicians for their tremendous efforts during the October firestorms and under eventual evacuation from Pomerado Hospital, honoring each physician by presenting relevant plaques (<i>a list of those physicians honored and notes regarding the firestorms relayed by Mr. Gold, attached to original minutes</i>). Physicians were assisted by Board Members, PMC Staff and exceptional teamwork throughout the organization.</p> <p>A message was also delivered from Benjamin Kanter, MD publicly recognizing members of the Medical Staff regarding the recent firestorms Monday, October 22, 2007 and in</p>	<p>Directors Greer and Larson abstained to avoid potential conflict of interest.</p>	

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	<p>their coming to work, or by showing up, dealing with patients, or helping with the eventual evacuation of Pomerado Hospital and Villa Pomerado. Dr. Gary Gonsalves was particularly recognized for his triaging efforts during this time.</p> <p>Board Chairman Rivera added to these comments, noting that approximately thirteen physicians lost their own homes in the firestorms, many whilst continuing to work at the hospitals.</p> <p>In addition to the physicians, the nurses, the plant maintenance staff, the auxiliaries, the GO-MED teams and administrators as well as many others were all there to help. He noted that Dr. Jaime Rivas, Michael Covert, Bob Hemker and Lorie Shoemaker were everywhere during this time. The media including the San Diego Union, CBS and CNN were all present as this area made headline news around the world due to the devastating fires that occurred. He felt that the Board could not thank everyone in the health system and the community enough for all the efforts made to assist.</p> <p>Chairman Rivera commended Michael Covert, CEO for the efforts and teamwork shown throughout the system at this time, noting that there had been two devastating firestorms in this area within the last four years.</p>		
Administrative	Mr. Al Stehly		
Chairman - Palomar Pomerado Health Foundation	Mr. Stehly welcomed Director Linda Bailey to the PPH Board of Directors.  He looked forward to the capital campaign noting that the Board and Physician Giving is aimed at attracting 100% participation.	Mr. Stehly was thanked for his presentation.	

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	<p>Employees of the hospital had donated more than \$20,000 to the current Disaster Relief effort which was being distributed appropriately.</p> <p>Mr. Stehly conveyed sincere condolences to Karen Black following the recent loss of her husband in a plane crash.</p> <p>Marcelo R. Rivera, MD</p>		
<p><b>Chairman of the Board - Palomar Pomerado Health</b>  Service Award Pin – <i>Assuming Office – Director Linda Bailey</i></p>	<p>Following congratulations on behalf of the Board of Directors, Chairman Rivera presented Director Linda Bailey with a PPH Service Award Pin upon her assuming office.</p>		
<p>Board Appointment</p>	<p>Chairman Rivera referred to the five citizens who came forward for consideration for Board appointment, noting that four were interviewed personally. All were outstanding applicants, some with healthcare experience and others with strong community ties. It is anticipated that Director Bailey will be contemplating running for the Board in the 2008 elections.</p>		
<p>October 2007 Firestorms</p>	<p>Chairman Rivera relayed information regarding the recent firestorms in the area, noting that many thousands of people were effected, with over half a million being evacuated from this area. He described the high winds and ferocious fires as “Dante’s inferno”. Dana Dawson lost his home. Poway, Rancho Bernardo and Escondido were all badly effected. He could not thank firefighters, police, paramedics, hospital staffs and all other teams and auxiliaries enough during this time. President Bush and Governor Schwarzenegger had also responded immediately by their presence, and with federal aid to our communities.</p> <p>Following extensive clean-up of Pomerado Hospital and Villa Pomerado, both facilities were allowed to re-open and patients safely</p>		

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Joint Conference Committee	<p>returned. Special thanks were extended to all concerned for the efforts and camaraderie shown.</p> <p>Chairman Rivera provided an update on a JCC meeting held October 15, noting positive discussion and outcome.</p>		
<p><b>Resolution No. 11.12.07 (01) – 13 Amending Established Dates of Regular Board Meetings for Calendar Year 2007 (from Dec 10 to Dec 17, 2007)</b></p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bailey and carried that Resolution No. 11.12.07 (01) – 13 Amending Established Dates of Regular Board Meetings for Calendar Year 2007 (from Dec 10 to Dec 17, 2007) as presented, be adopted.</p> <p>All in favor. None opposed.</p> <p>Chairman Rivera appreciated the willingness of the Board to change the date.</p> <p>Michael H. Covert</p>		
<p><b>President and CEO</b></p> <p>October, 2007 Firestorms – Acknowledgements to Staff, Employees, Medical Staffs, Auxiliaries, and Emergency Services</p>	<p>Michael Covert wished to deeply acknowledge his appreciation to all involved with assisting our patients in the hospitals and skilled nursing facilities, particularly at Pomerado and Villa Pomerado during the recent firestorms. He thanked Gerald Bracht for managing PMC and Steve Gold and Ann Wagner for managing Pomerado, PCCC and Villa Pomerado including arrangements for buses from Poway Unified School District, and back-up for the SNFs. Bob Hemker was also acknowledged for his efforts in helping to move patients himself in addition to those from Innovation who assisted in any way they could.</p> <p>We would hold sessions to recognize Staff as their efforts would not go unnoticed. pto had been added back in for those who came in to work. Physicians and Staff were acknowledged, some of whom lost their homes, but with no immediate loss of life.</p> <p>Mr. Covert noted that we may convince those involved that a firebreak should be made by</p>		<p><b>Firestorms debriefing planned.</b></p>

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	<p>the Fire Department immediately behind Pomerado Hospital and it is hoped that there would be positive response to this proposal. He had requested a de-briefing which Lorie Shoemaker and Mary Oelman would coordinate. A particular aspect in future would be to ensure there was someone available with patients on each bus to ensure each driver knows exactly where other SNFs are located, as although addresses were available, the drivers were from school buses. We would also look for better ways to respond from a community viewpoint, as we had to watch CNN to determine what was occurring within our own communities.</p>		
<p>CAO Pomerado Interviews Update</p>	<p>The CEO acknowledged Steve Gold for his quality of leadership as Interim CAO for Pomerado, noting that we hoped to finalize interviews by the end of the year.</p>		
<p>Annual Physicians' Gala</p>	<p>Michael Covert thanked Holly Garcia and all involved in coordinating the Physicians' Gala event.</p>		
<p>ERTC Groundbreaking</p>	<p>Mr. Covert informed that plans are in process for the ERTC groundbreaking and that there would be a series of events for our Board Members and City officials in addition to Staff and for our Physicians, with initial groundbreaking anticipated before the end of the year.</p>		
<p><b>INFORMATION ITEMS</b></p>	<p><i>Discussion by exception only</i></p>		
<ul style="list-style-type: none"> <li>▪ Human Resources</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Community Relations</li> </ul>			
<ul style="list-style-type: none"> <li>▪ Joint BOD/Strategic Planning</li> </ul>			
<p><b>COMMITTEE REPORTS</b></p>			
	<p>Chairman Rivera introduced and welcomed Ms Kathleen Leak, Orrick Bond Counsel and Ellen Riley of Kaufman Hall, in addition to others present in connection with the issuance of PPH G.O. Bonds.</p>		



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<p>Finance</p> <p>Updated Financial and Capital Plan, and Resolution No. 11.12.07 (02) – 14 Authorizing Issuance of Not to Exceed \$250,000,000 Aggregate Principal Amount of PPH G.O. Bonds Election of 2004 and taking of all other actions in connection with the Issuance and Sale of said Bonds</p>	<p><i>Director T. E. Kleiter, Chair</i></p> <p>Director Kleiter read out the proposed Resolution in this matter, requesting adoption of such Resolution and documents, so that appropriate action may be taken as necessary to issue the second tranche of G.O. Bonds on or about December 7, 2007.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Krider and carried that the Updated Financial and Capital Plan, and Resolution No. 11.12.07 (02) – 14 Authorizing Issuance of Not to Exceed \$250,000,000 Aggregate Principal Amount of PPH G.O. Bonds Election of 2004 and taking of all other actions in connection with the Issuance and Sale of said Bonds, be adopted.</p> <p>All in favor. None opposed. Passed unanimously.</p>	
<p>Joint Venture Agreement between PPH and Trilogy Joint Venture, LLC, with US Radiosurgery</p>	<p>Director Kleiter sought Board approval to this Joint Venture following Finance Committee's recommendation to the Board, pending receipt of final documents.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried for approval to the Joint Venture Agreement between PPH and Trilogy Joint Venture, LLC, with US Radiosurgery, as submitted.</p> <p>All in favor. None opposed.</p> <p>Chairman Rivera commented that this was the most up-to-date therapy in terms of Radiosurgery and has the support of the medical staffs.</p>	
<p>Resolution No. 11.12.07 (03) – 15 Adopting Authorized Signatories, by Title, for all PPH Bank and Investment Accounts <i>except</i> the Auxiliary and Health Development Bank Accounts and the G.O. Bond and Citracado Road Public Benefit Development Investment Accounts</p>	<p>Director Kleiter sought Board adoption of this Resolution.</p>	<p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried that Resolution No. 11.12.07 (03) – 15 Adopting Authorized Signatories, by Title, for all PPH Bank and Investment Accounts <i>except</i> the Auxiliary and Health Development Bank Accounts and the G.O. Bond and Citracado Road Public Benefit Development Investment Accounts, be adopted.</p>	
<p>Resolution No. 11.12.07 (04) – 16 Adopting Authorized Individuals and Enabling Resolutions for a Metropolitan Life Insurance</p>	<p>Adoption of this proposed Resolution was sought by Director Kleiter.</p>	<p>All in favor. None opposed.</p> <p><b>MOTION:</b> by Kleiter, 2<sup>nd</sup> by Bassett and carried that Resolution No. 11.12.07 (04) – 16 Adopting Authorized Individuals and Enabling</p>	

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Company Deposit Account with JP Morgan Chase Manhattan Bank		Resolutions for a Metropolitan Life Insurance Company Deposit Account with JP Morgan Chase Manhattan Bank, be adopted.  All in favor. None opposed.	
Resolution No. 11.12.07 (05) – 17 Directing PPH's Officers, Acting on Behalf of 343 E. 2 <sup>nd</sup> Avenue Investors Ltd ("343, Ltd.") to Formally Transfer Title of Partnership Assets to PPH and to Formally Dissolve "343, Ltd."		<b>MOTION:</b> by Kleiter, 2 <sup>nd</sup> by Bassett and carried that Resolution No. 11.12.07 (05) – 17 Directing PPH's Officers, Acting on Behalf of 343 E. 2 <sup>nd</sup> Avenue Investors Ltd ("343, Ltd.") to Formally Transfer Title of Partnership Assets to PPH and to Formally Dissolve "343, Ltd" be adopted.	
Resolution No. 11.12.07 (06) – 18 Authorizing the Acquisition of the Property and Building located at 451 E. Valley Parkway, Escondido, CA subject to the Final Acceptance of the Standard Offer and Completion of Due Diligence.	Dir Kleiter sought Board adoption of this Resolution.	All in favor. None opposed. <b>MOTION:</b> by Kleiter, 2 <sup>nd</sup> by Bassett and carried that Resolution No. 11.12.07 (06) – 18 Authorizing the Acquisition of the Property and Building located at 451 E. Valley Parkway, Escondido, CA subject to the Final Acceptance of the Standard Offer and Agreement and Completion of Due Diligence, be adopted.	
PPH Outpatient Imaging Services (deferred from Consent Items – agenda item VI. E. at beginning of this meeting)	Director Larson referred to pages 84 and 85 of the Board packet regarding the sale of Parkway Gateway Pomerado Imaging to VRC. Mr. Hemker, CFO, explained the background and several other relationships regarding Parkway and Gateway Imaging Services.  Following discussion, approval was sought to	Following a query from Director Krider regarding the property, Mr. Hemker responded that this will be a standard transaction scheduled to close in early January. <b>MOTION:</b> by Kleiter, 2 <sup>nd</sup> by Bassett and carried that the matter of the Outpatient Imaging Services Action Plan and other matters related to this aspect referred to on pages 84 and 85 of the Board packet be brought back to Finance Committee.	Referred back to Finance Committee

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<p><b>BOARD MEMBER COMMENTS/AGENDA ITEMS FOR NEXT MONTH</b></p>	<p>bring this matter back to Finance Committee. Director Greer welcomed Director Bailey to the Board of Directors.</p> <p>In addition, she expressed deep appreciation for the heroism of our firefighters, police officers, volunteers, physicians, staff and community members as there were many heroes during the recent firestorms.</p> <p>Director Bassett echoed these sentiments.</p> <p>Director Larson expressed congratulations to Director Bailey, welcoming her to the Board. He was in awe of our staff and all those involved in assisting during the fires and wished to particularly thank Michael Covert for his leadership.</p> <p>Director Krider welcomed Director Bailey to her initial Board Meeting.</p> <p>Director Bailey thanked everyone for their warm wishes as she felt this made her even more proud to serve on the PPH Board of Directors.</p> <p>Director Kleiter thanked Chairman Rivera for his leadership during the firestorms crisis, noting that not only did he receive updated calls from Andy Hoang, but also appreciated receiving calls from Chairman Rivera that kept him informed.</p> <p>Chairman Rivera appreciated all of these comments, sincerely thanking everyone for their continued support and teamwork, often through difficult times, and particularly through the recent fires and evacuations.</p>	<p>All in favor. None opposed.</p>	
<p><b>ADJOURNMENT</b></p>	<p><b>8:40 p.m.</b></p>		

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<p><b>SIGNATURES</b></p> <ul style="list-style-type: none"> <li>▪ Board Secretary</li> <li>▪ Board Assistant</li> </ul>	<p>_____</p> <p>Linda C. Greer, R.N.</p> <p>_____</p> <p>Christine D. Meaney</p>		