

**Independent Citizens' Oversight Committee
Approval of Minutes from Meeting on October 5, 2005**

TO: Board of Directors
FROM: Independent Citizens' Oversight Committee
MEETING DATE: Monday, March 13, 2006
BY: Bob Hemker, CFO

Background: On Wednesday, October 5, 2005, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their second meeting.

Pursuant to §6.4 of the ICOC PP&G, a draft report of all ICOC meetings is to be submitted to the District Board for inclusion in the Board's public records. The draft minutes from the meeting on October 5, 2005, have been reviewed by the ICOC Chair and approved for presentation to the ICOC members and the PPH Board.

Budget Impact: N/A

Staff Recommendation: Approval of the draft minutes from the ICOC meeting held on October 5, 2005

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

PARTICIPANT ROSTER

**PALOMAR POMERADO HEALTH
HOSPITAL, EMERGENCY CARE, TRAUMA CENTER IMPROVEMENT AND REPAIR MEASURE BONDS**

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

Conference Room A, 15255 Innovation Drive, San Diego, CA

PARTICIPANTS	MEETING DATES							
MEMBERS								
WILLIAM L. CORWIN (AT LARGE)	P	P						
STEPHEN FRIAR (AT LARGE)	P	P						
LEE HUMAN, MD (PHYSICIAN)	E	E						
JERRY KAUFMAN, MPT (BUSINESS ORG) - SECRETARY	P	P						
EDWARD R. LEHMAN (SR CITIZENS' ORG)	P	P						
JOHN MCIVER (AT LARGE)	P	P						
KATHY LEECH MCKINNEY (AT LARGE)	P	P						
MARGARET MOIR (AT LARGE)	P	P						
BOB WELLS (TAXPAYERS' ORG) - VICE CHAIR	P	P						
STEPHEN P. YERXA (AT LARGE) - CHAIR	P	P						
DISTRICT SUPPORT STAFF								
BOB HEMKER, CFO	P	P						
TANYA HOWELL, EXECUTIVE ASST - SCRIBE	P	P						
GUESTS								
MIKE SHANAHAN, DIRECTOR FACILITIES		P						

[P = Present E = Excused A = Absent]

17

**Independent Citizens' Oversight Committee
Meeting Minutes – Wednesday, October 5, 2005**

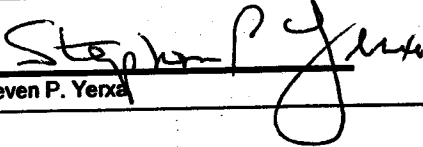
AGENDA ITEM/PURPOSE	DISCUSSION/RECOMMENDATION	ACTION/COMMENTS
I. CALL TO ORDER & ROLL CALL	Meeting called to order at 3:05 p.m. by District CFO Bob Hemker, acting as facilitator.	
II. INFORMATION ITEM	<p>Secretary Jerry Kaufman has a probable conflict of interest pursuant to §5.2.3 of the PP&G, as his grown son is employed at PPH</p> <ul style="list-style-type: none"> • Resignation to be discussed with Bond Counsel before acceptance <ul style="list-style-type: none"> ○ If resignation is accepted, will take to PPH Board for action <ul style="list-style-type: none"> ▪ Replacement as Secretary will need to be appointed ▪ Replacement as Business Org representative will need to be appointed <ul style="list-style-type: none"> • Four other current ICOC members applied as Business Org representatives ▪ No new member would be required as membership would still be at required number of nine ○ Term of seat is Class of 2008 <ul style="list-style-type: none"> ▪ Class of 2007 has 4 incumbents, other classes have 3 ▪ 1 Class of 2007 seat will move to Class of 2008 by lot ▪ Margaret Moir drew Class of 2008 	<ul style="list-style-type: none"> • Bob Hemker to confirm with Mr. Kaufman his resignation intent, then confer with Bond Counsel prior to requesting the PPH Board to appoint a new Secretary • John McIver will be nominated to the PPH Board both as Secretary and the replacement Business Org representative
III. OATH OF OFFICE	<ul style="list-style-type: none"> • Postponed to next meeting as Dr. Human was excused from this meeting 	
IV. PUBLIC COMMENTS	<ul style="list-style-type: none"> • Robroy Fawcett <ul style="list-style-type: none"> ○ Letter to ICOC is attached and addresses concerns voiced by Mr. Fawcett at the meeting • Jeff Switzer <ul style="list-style-type: none"> ○ Letter to ICOC is attached and addresses concerns voiced by Mr. Switzer at the meeting 	Chair Steve Yerxa will draft a letter to respond to the particulars as appropriate to the ICOC in both Mr. Fawcett and Mr. Switzer's letters.
V. DISCUSSION AGENDA	<ul style="list-style-type: none"> • ICOC meetings are currently educational, providing overviews of the Facilities Master Plan and the Plan of Finance • Measure BB proceeds <ul style="list-style-type: none"> ○ A portion of the funding for the overall project – never intended to be the sole source of funding (revenue bonds, cash infusion and philanthropic donations are other sources of funding) ○ Funds used will be segmented from the total project funding expenditures when presented to the ICOC, to better enable the Committee to provide oversight on that portion of the costs attributed thereto ○ Legal constraints on use <ul style="list-style-type: none"> ▪ "Bricks and mortar" only – if the building could be picked up and shaken, what would fall out would not be Measure BB fundable ▪ Bond counsel must assert appropriate use before funds can be released • ICOC responsibility to validate expenditures already made to ensure in accordance with Measure BB 	Bond counsel is to be invited to attend the next ICOC meeting.

15

**Independent Citizens' Oversight Committee
Meeting Minutes – Wednesday, October 5, 2005**

AGENDA ITEM/PURPOSE	DISCUSSION/RECOMMENDATION	ACTION/COMMENTS
<p>V. A. Executive Summary of PPH Facilities Master Plan (FMP)</p>	<p>Mike Shanahan, Director of Facilities Planning/Development, made a presentation to the ICOC (<i>copy attached</i>)</p> <ul style="list-style-type: none"> • Overview of PPH service area <ul style="list-style-type: none"> ○ Covers 800 square miles ○ Third largest healthcare district in the US ○ Largest in California • Palomar Medical Center (PMC) <ul style="list-style-type: none"> ○ Originally built in 1953 ○ Majority of beds in McLeod Tower ○ New seismic safety requirements originally scheduled to go into effect in 2008, now to go into effect as of 2013 ○ 370,000 square feet • Pomerado Hospital (POM) <ul style="list-style-type: none"> ○ Newer campus, built in 1975 ○ Meets new seismic safety requirements ○ 168,100 square feet • Total square footage to increase from 538,100 to 1,437,478 • 150 beds to be added with new facility • Potential services at PMC East <ul style="list-style-type: none"> ○ Acute Rehab hospital ○ Behavioral Health programs with geriatric & Alzheimer's focus ○ Ambulatory/urgent care services ○ Center for advanced surgery ○ Skilled nursing facility ○ Educational facilities <ul style="list-style-type: none"> ▪ Wellness center/gym ▪ Magnet high school ○ Structured parking for the hospital and downtown businesses ○ Corporate and administrative offices ○ Housing units • PMC West <ul style="list-style-type: none"> ○ Champion Teams and other committees have been doing research, ensuring that services to be offered and facility design are on the leading edge <ul style="list-style-type: none"> ▪ Thinking in terms of operational efficiencies ▪ Learning from interaction with local constituencies, Centers for Healthcare Design, the Pebble Project and the Planetree Project ▪ Reviewing regional and national models ○ Rooms will be acute adaptable – built to a higher level of acuity that can be reassigned as needed <ul style="list-style-type: none"> ▪ Model meets State of California regulations ▪ Meets nurse staffing ratios ▪ Mock-up is being constructed at the San Marcos Ambulatory Care Center ▪ Concept photos are of "as-built" at facilities elsewhere 	<ul style="list-style-type: none"> • Bob Hemker to provide feedback regarding exact number of deliveries expected for NICU • Environmental Impact Report letters to be provided for review • Hard copies of the slides, the master plan and an updated Gant chart to be provided to ICOC membership

**Independent Citizens' Oversight Committee
Meeting Minutes – Wednesday, October 5, 2005**

AGENDA ITEM/PURPOSE	DISCUSSION/RECOMMENDATION		ACTION/COMMENTS
V. B. Financing Issues and Strategies	<ul style="list-style-type: none"> • 1st tranche of bonds has been issued in the amount of \$80 million • No current draw-down schedule • Rancho Peñasquitos property was purchased with district funds <ul style="list-style-type: none"> ○ Will seek reimbursement from Measure BB funds when expenditures meet the legal requirements • City of Escondido has not yet rezoned the ERTC, but the zoning process has been initiated • Working with the City on a mutually agreeable outcome regarding PPH's part in the infrastructure around the ERTC • 2007 is potential date for breaking ground on PMC West 		
VI. Board Member Comments/Agenda Items for Next Meeting	<ul style="list-style-type: none"> • Steve Yerxa requested that the biographical sketches of the members be completed within the next two weeks • Online access to PPH Board agendas and minutes was determined to be a PPH Board issue not actionable by the ICOC • If the ICOC needs to meet sooner than the next regularly scheduled meeting, at least 30 days' lead time should be given the membership • Next meeting is Tuesday, March 28, 2006, at 3:00 p.m. 		Motion by Margaret Moir, 2 nd by Ed Lehman and carried to recommend to the PPH Board that the schedule, agendas & minutes for the ICOC be posted to the PPH Web site.
VII. Adjournment	Meeting adjourned at 4:55 p.m.		Motion by Steve Yerxa, 2 nd by Margaret Moir and carried to adjourn the meeting.
DRAFT REVIEWED AND APPROVED FOR SUBMISSION TO DISTRICT BOARD	CHAIR	 Steven P. Yerxa	
	SECRETARY	VACANT	
APPROVED BY DISTRICT BOARD	CHAIR	_____ Marcelo Rivera, M.D	
	SECRETARY	_____ Linda Greer, R.N.	

Robroy R. Fawcett
1576 Katella Way
Escondido, CA 92027
civics@robroy.cc
<http://esco1.blogspot.com/>

September 29, 2005

Mr. Stephen P. Yerxa, Chair
Independent Citizens' Oversight Committee
(c/o Tayna Howell - Palomar Pomerado Health)
15255 Innovation Drive
San Diego, CA 92128-3410

Re: Issues for Oversight Committee Meeting on October 5, 2005

Dear Mr. Yerxa,

The current agenda for the Oversight Committee meeting shows that Mr. Robert Hemker will be presenting a 30-minute Discussion of **Financing Issues and Strategies** (agenda item V.B.a.). An intriguing part of the PPH-JRM ERTC Option and Purchase Agreement, dated March 18, 2005, is paragraph 4.2.6. Attached are a copy of paragraph 4.2.6 and a summary of my concerns about it. At the PPH board meeting August 30, 2005, Mr. Hemker explained that the Development Agreement of paragraph 4.2.6 "is required to be completed" before the close of escrow on the ERTC property in February of 2006. As of September 16, 2005, PPH and JRM-ERTC had not yet completed the Development Agreement referenced in paragraph 4.2.6 (after 6 months of negotiations). The Development Agreement of paragraph 4.2.6 appears to be a **financing strategy**, and I would request that Oversight Committee ask Mr. Hemker to spend a few minutes during his Discussion addressing paragraph 4.2.6, its meaning, and the consequences of not completing the subject Development Agreement with JRM. The full PPH-JRM ERTC Option and Purchase Agreement is available at:
<http://civics.robroy.cc/ERTCOpt2.PDF>.

During the Oversight Committee meeting, Mr. Mike Shanahan will be presenting a 1-hour Executive Summary of the PPH FMP (agenda item V.A.a.). The PPH Facilities Master Plan (FMP) appears to have a gross error in that the FMP fails to acknowledge approximately 100,000 sq. ft. of compliant hospital space at the Palomar Medical Center (see attached sheet). I would request that the Oversight Committee ask Mr. Shanahan to address the issue of this apparent gross error in the PPH FMP during his 1-hour presentation.

The following items are not on the Oversight Committee meeting agenda, but I would like to see them addressed, and I would like them to be added the agenda:

I. PPH quit posting the agendas for its Board meetings after March 2005. Previously, the agendas were posted at: www.pph.org/body.cfm?id=36. The Oversight Committee should

request that PPH post, on its web site, the agenda for every PPH board meeting, and also the agenda for every other PPH committee meeting connected with the use of Proposition BB funds.

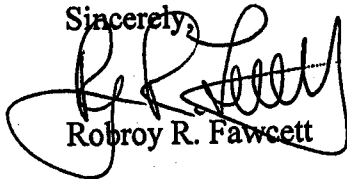
II. Unless a member of the public actually attends a PPH Board meeting, the minutes of the PPH Board meetings are only available by way of an Application for Inspection of Public Records and payment of copying fees. The Oversight Committee should request that PPH post, on its web site, the minutes for every PPH board meeting, and also the minutes for every other PPH committee meeting related to the use of Proposition BB funds. The supporting materials presented at any such meeting also should be posted on the PPH web site.

III. The PPH Board of Directors has been using "Special Meetings" in a manner that makes it difficult for a member of the public, who is not part of a newspaper organization, to learn of and attend the special board meetings. The Oversight Committee should request that PPH provide at least 3 days notice to the public for any meeting related to the use of Proposition BB funds. Also, PPH should maintain an email list for notifying persons wishing to be informed of meetings related to the facilities expansion and the use of Proposition BB funds.

IV. Members of the Independent Citizens' Oversight Committee have been addressing the Escondido City Council without identifying their positions as members of this committee. Of most concern are the strident positions that these members of the Oversight Committee have taken with respect to matters directly involving the use of Proposition BB funds. Of particular note are comments made at an Escondido City Council meeting held on August 24, 2005. I request that members of the Independent Citizens' Oversight Committee identify their membership on this Oversight Committee when advocating positions, affecting the use of Proposition BB funds, with members of the public and government bodies.

V. At least one member of the Independent Citizen's Oversight Committee is identified as being a member of the Board of Directors for the Palomar Pomerado Health Foundation (PPHF). As part of the \$800 million planned expansion, about \$50 million is budgeted to come through donations, presumably through PPHF. I wonder whether a Director on the PPHF Board is sufficiently independent to also sit on the Independent Citizens' Oversight Committee.

Sincerely,



Robroy R. Fawcett

Enclosures

cc: (w/o enclosures)
William L. Corwin
Lee Human
Edward R. Lehman
Kathy Leech McKinney
Bob Wells - Vice Chair
Bob Hemker - PPH CFO

Stephen Friar
Jerry Kaufman - Secretary
John McIver
Margaret Moir
Tayna Howell - Scribe
Mike Shanahan - PPH

OPTION TO PURCHASE, PURCHASE AGREEMENT

AND ESCROW INSTRUCTIONS

(Parcels 27 through 29 and 33 through 36)

THIS OPTION TO PURCHASE, PURCHASE AGREEMENT AND ESCROW INSTRUCTIONS ("Agreement") dated as of March 18, 2005 ("Effective Date") is made by and between ~~JRM-ERTC I, L.P., a California limited partnership ("Seller"), and Palomar Pomerado Health, a California Health Care District ("Buyer"),~~ with reference to the facts set forth below and constitutes (i) an option to purchase granted by Seller to Buyer, (ii) if said option is exercised, a contract of purchase and sale between the parties, and (iii) escrow instructions to Escrow Agent (as hereinafter defined).

4.2.6 Development Agreement. Immediately upon execution hereof, Buyer and Seller shall use their good faith efforts to expeditiously negotiate the terms of a mutually acceptable development agreement that will set forth the agreement of the parties concerning their future joint development of up to 300,000 square feet of medical office building space and associated parking on portions of the Property to be identified by the Buyer (the "Development Agreement"). If the parties fail to reach an agreement regarding the terms of a mutually acceptable Development Agreement within thirty (30) days after the Effective Date, then either party shall thereafter have the right to terminate this Agreement by written notice to the other, provided that such notice is received before the parties agree upon the terms of the Development Agreement.

Effective Date = March 18, 2005

Effective Date + 30 days = April 17, 2005

After April 17, 2005, either party has the right to terminate!

8.1 Date and Manner of Closing. If Buyer exercises the Option, then Escrow Agent shall close the Escrow ("**Closing Date**" or "**Closing**" or "**Close of Escrow**") on such date as is identified in a written notice by Buyer to Seller and Escrow Agent (the "**Closing Notice**"), provided that such date is (i) at least ten (10) days after the date of such notice, (ii) no sooner than January 1, 2006, and (iii) no later than February 28, 2006 (subject to Buyer's right to extend the date for Closing pursuant to Section 4.2.5). If Buyer has not delivered the Closing Notice prior to February 1, 2006, then the Closing Date shall be February 28, 2006 (subject to Buyer's right to extend the date for Closing pursuant to Section 4.2.5). The Closing shall occur when and only when each of the following conditions has been satisfied:

A Special Meeting of the PPH Board of Directors was called for June 28, 2005, to consider 6.6 acres known as proposed parcels 27-29 and 30-36 in the ERTC. Negotiating Parties: Robert Hemker and James McCann.

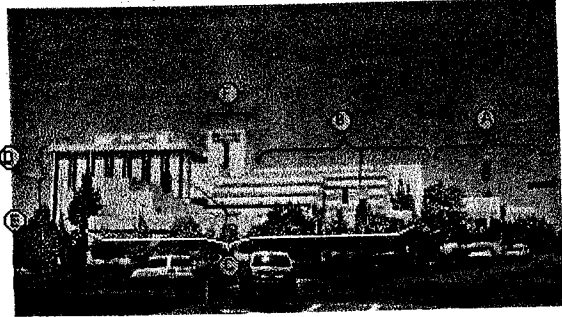
Another Special Meeting (closed door) of the PPH Board of Directors was called for September 12, 2005. Negotiating Parties: Robert Hemker and James McCann.

Email: civics@robroy.cc

20

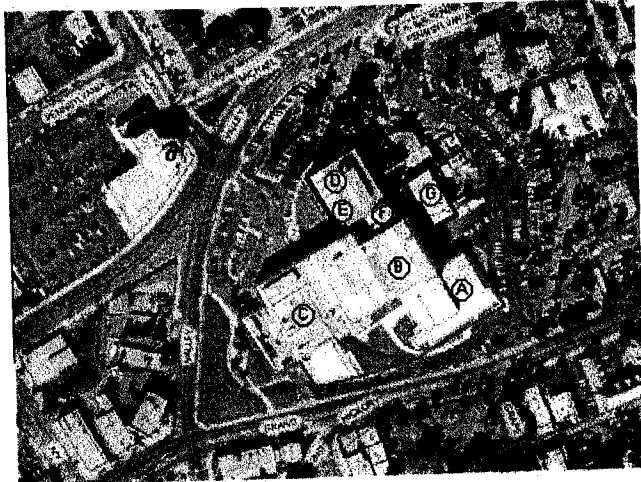
Palomar Medical Center
Escondido, California

PPH currently employs about 3250 people (1850 at PMC)



Building & Completion Year

- A - South Wing
1990 (30,000 ft²)
- B - 7 Story Tower
1988 (150,000 ft² Hospital +
120,000 ft² parking - 256 spaces)
- C - Parking Structure
1985 (283 spaces + Heliport)
- D - McLeod Tower Floors 8 & 9
1974 (34,000 ft²)
- E - McLeod Tower Floors 1-7
1988 (120,000 ft²)
- F - McLeod Tower Elevators
1989
- G - Adams Wing
1980 (38,000 ft²)



180,000 ft²



SB1953 Conforming
Structure
(usable past 2030
for acute care)

190,000 ft²



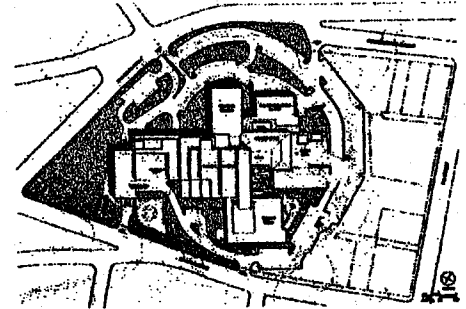
Non-Conforming
Structure

Note: Floors 8-9 of the
McLeod Tower were
completed in 1974.
Why not conforming?

The facilities of Palomar Medical Center (PMC) are composed of seven (7) major buildings of which three (3) have been determined to be non-conforming. It has been further determined that all three (3) buildings can not feasibly be upgraded to comply with the Intent of the Hospital Seismic Safety Act for service beyond the year 2030. The buildings are the McLeod Tower (1967), the East Extension of the McLeod Tower (1967) and the Adams Wing (1957), which together account for 190,000 square feet (nearly 50%) of the total building area of the 282,000 square foot PMC hospital facility. Together, these three buildings house nearly 75% (238-beds) of the 234-bed hospital total, the entire departmental areas for Diagnostic Imaging, Food Service, Materials Handling and Central Sterile, as well as a Critical Care Unit, an Emergency Observation Unit, Post-Partum beds, Administrative functions, and a portion of the Central Utility Plant. Of the three non-conforming structures, a further determination has been made that only the Adams Wing structure can be economically upgraded for continued utilization between the years 2008 (or 2013 with an approved extension) and 2030.

$$\frac{190,000}{282,000} = \frac{OR}{67\%}$$

$$190,000 \div 50\% = 380,000 \text{ ft}^2$$



Existing Palomar Site Plan

The facilities of Pomerado Hospital are comprised of four (4) buildings: the Patient Tower, Ancillary Building (Diagnostics & Treatment), Catheterization Laboratory Addition (Diagnostics and Treatment) and the Power Plant (Central Utilities Plant). All four buildings are conforming and in compliance with the structural provisions of the SB 1953 legislation.

21

Tanya,

I left paper copies of this letter at your office yesterday. Here is an electronic version which I hope will help you get the document to the Committee Members before the meeting.

Regards,

Jeff

1224 Via Privada
Escondido, CA 92029-7711
(760) 489-8796
jswitzer@evermail.com

October 3, 2005

Mr. Stephen P. Yerxa, Chair
Independent Citizen's Oversight Committee
(c/o Tayna Howell – Palomar Pomerado Health)
15255 (Innovation Drive
San Diego, CA 92128-3410

re: Item for Oversight Committee Meeting of October 5, 2005:
Committee Responsibilities and a Suggested Methodology for Oversight of Proposition BB

Dear Mr. Yerxa,

Your committee has an incredibly important task, a fiduciary responsibility to assure that the funds from Proposition BB are spent wisely and according to the intent and specifics of the Proposition and to openly report all of the information you have and your findings. This essentially means that your group is responsible for continually monitoring the projects which are implemented using BB funds and reporting to the citizens of North County on the results to date and expected future results.

The projects envisioned under Proposition BB cost more than PETCO Park in San Diego. It is a major responsibility and will require a major effort to oversee them for the Public.

In order to accomplish your responsibilities I suggest that you will need to do the following:

Meetings

Meeting often enough to assure that you are kept up-to-date on the Proposition BB Projects. Initially meetings every four weeks would seem appropriate. Key decisions are being made now which will greatly affect the overall outcome. Meetings at least every four weeks would seem appropriate until at least 95% of the funds have been committed. There must be no surprises to the public and the only way to assure that is to meet on a regular basis.

Items to Track – Concept

The Committee needs to understand the schedule, cost and deliverables for the projects under Proposition BB. The current Facilities Master Plan promises specific numbers of nursing beds, ICU beds, operating rooms, over floor area, etc. It also has schedules and cost information. The Committee and the Public must be up-to-date on how current plans match with these values.

Reporting to Citizens

All reports to your Committee from PPH and other sources should be available to the general public. The reports which you prepare must also be available.

Detailed Items to Track and Report:

Facilities Master Plan

All of the expenditures under Proposition BB at PPH must be done according to a Facilities Master Plan (FMP). This plan is specifically listed in Proposition BB and includes deliverables, cost and schedule. An initial version of this plan was prepared in 2004. The most current version of this plan must be available for your Committee and the Public at each meeting. It must reflect the current deliverables for projects under Proposition BB, such as number of beds, operating rooms, clinics, etc. as well as schedules and costs.

The FMP is a key document for determining if BB funds are being spent correctly.

Costs

At each meeting there should be a detailed presentation on the current state of expenditures of BB funds. This presentation should be in enough detail that current status, trends and any variance from plan can be easily understood along with any corrective action to be taken.

A suggestion is that any project over \$1,000,000 be presented in detail or that at least the detail be available in documents provided to the Committee and the Public. Under \$1,000,000 projects could be grouped and presented by major project or site. For a building project for example this reporting could be:

Initial Estimate Current Estimate Variance Committed to-date

For:

- Architectural Services
- Project Management Services
- Other Services
- Site Grading
- Foundation
- Structural Steel
- Etc.

Roll-up summaries of this information by major site component or site would also be presented.

A final roll-up of expenditures vs. Proposition BB funds and other funds would be the high-level item.

Schedule

Overall schedules by major milestone such as site grading, detailed design, OSHPD approval for major projects or by site, need to be presented at each meeting. Schedules for each project over \$1,000,000 need to be presented or available. These schedules should have a granularity of at least monthly. Changes in each schedule from the previous version need to be clearly noted and the effects on the final completion date noted or corrective action plans provided.

Summary

The Committee has a very significant responsibility. It must assure that the funds spent under Proposition BB deliver what was promised under Proposition BB. This includes overall capabilities which were detailed in the Facilities Master Plan when Proposition BB was approved, such as the number of nursing beds, operating rooms, ICU's and ICU rooms, etc. and the estimated costs and schedules.

Monitoring of extensive information on the cost, schedule and deliverables by the Committee and delivery of this information to the Public, will be required to satisfactorily perform the Committee's function.

Sincerely,

Jeff Switzer

Cc:
William L. Corwin
Stephen Friar

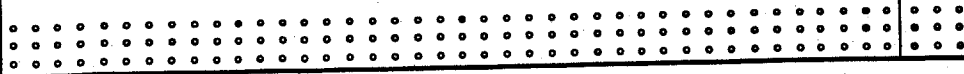
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John McIver
Margaret Moir
Bob Well – Vice Chair
Tayna Howell – Scribe
Bob Hemker – PPH CFO
Mike Shanahan - PPH

Citizen's Oversight Committee—

Facility Master Plan Overview

Michael B. Shanahan, AIA
Palomar Pomerado Health
A California Health Care District

Palomar Pomerado Health



Presentation Structure

Background

- Palomar Pomerado Health System
- The Vision
- The Promise – Redesigning for Community Benefit

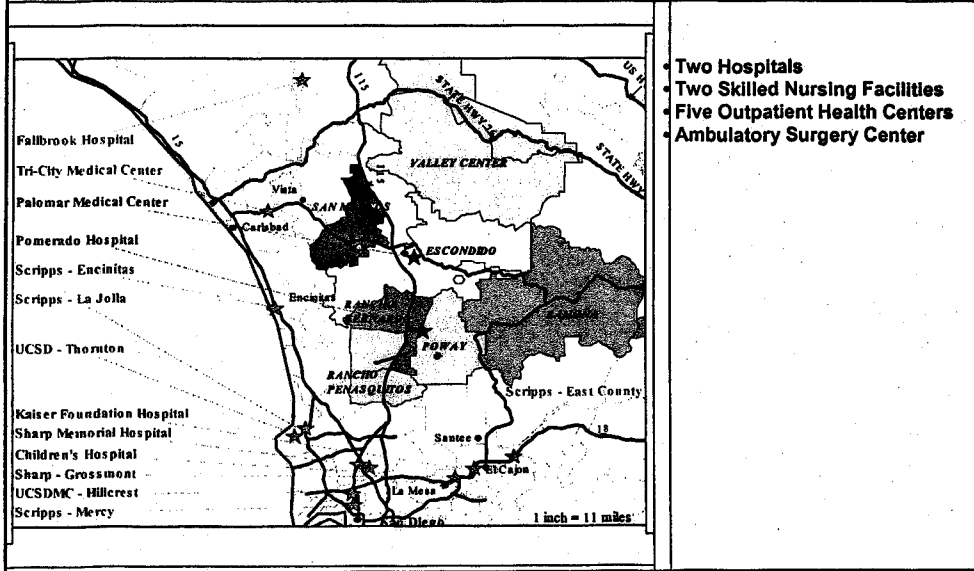
Project Overview

- Palomar West Medical Center
- Pomerado Hospital
- Palomar East Medical Center

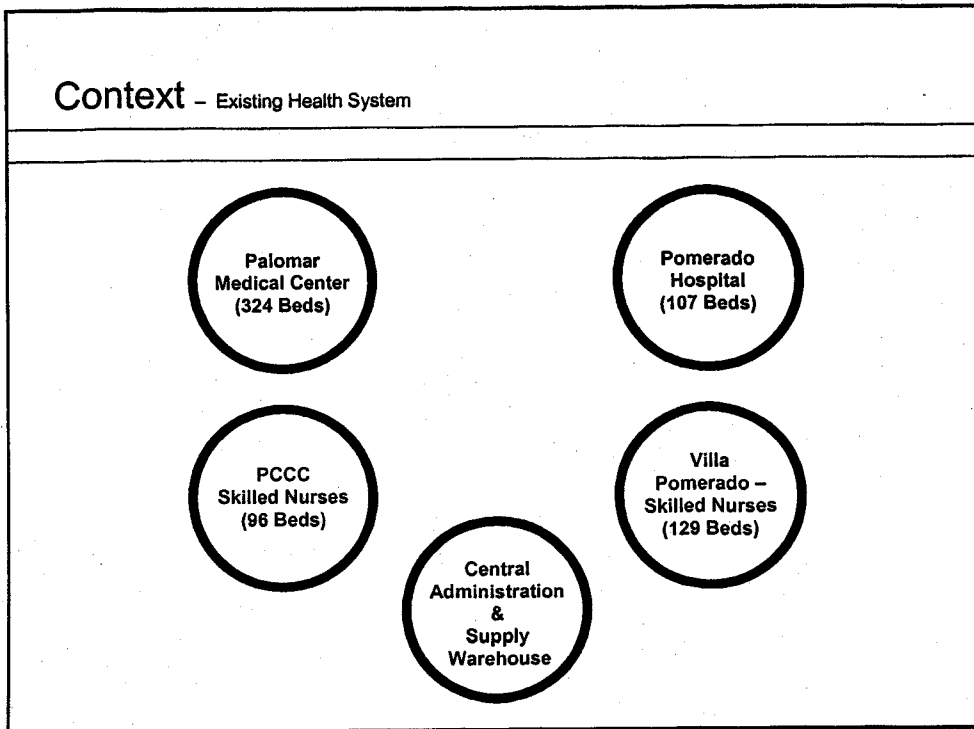
Elements of Innovation

- Program Strategy
- Facilities Design
- Sustainable Environments

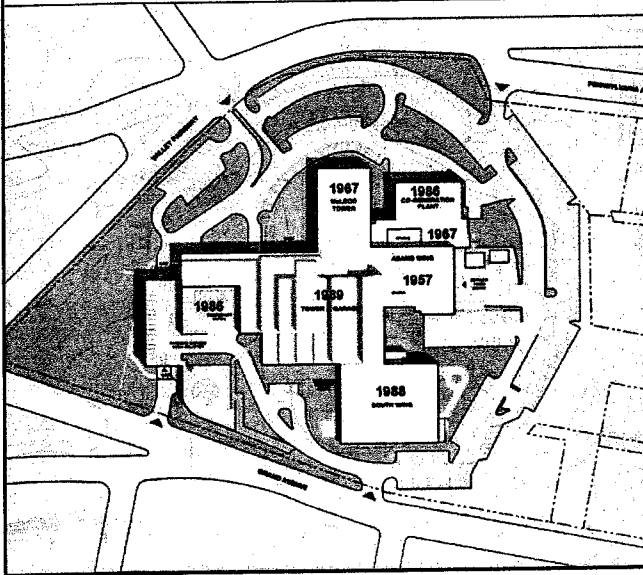
PPH Service Area - North San Diego County



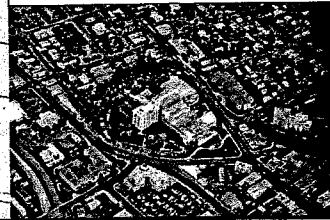
Context - Existing Health System



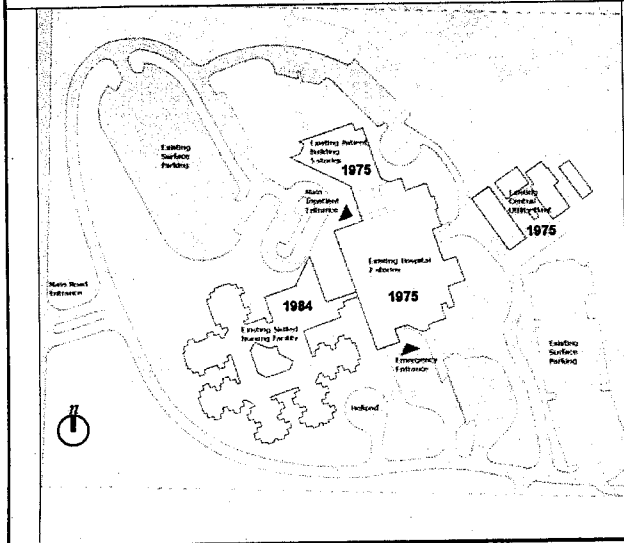
Palomar Medical Center



- Constrained site
- Aging facilities and Infrastructure
- SB-1953 Issues
- Spatial and operational constraints
- Lack of support, storage, and family space
- small patient rooms
- constrained configuration
- difficult circulation patterns



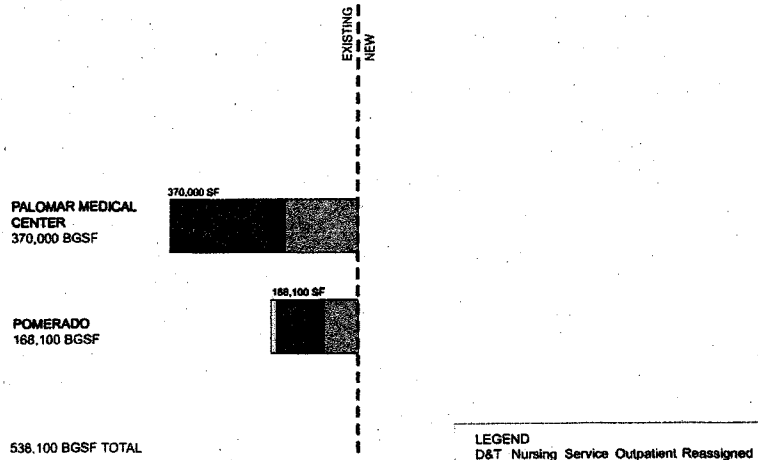
Pomerado Hospital



- Campus Environment
- Spatial and operational constraints
- Lack of support, storage and family space
- Lack of conference facilities
- small patient rooms
- dated configuration



Program - Existing System Wide



Project Drivers

Increasing Population and Demand

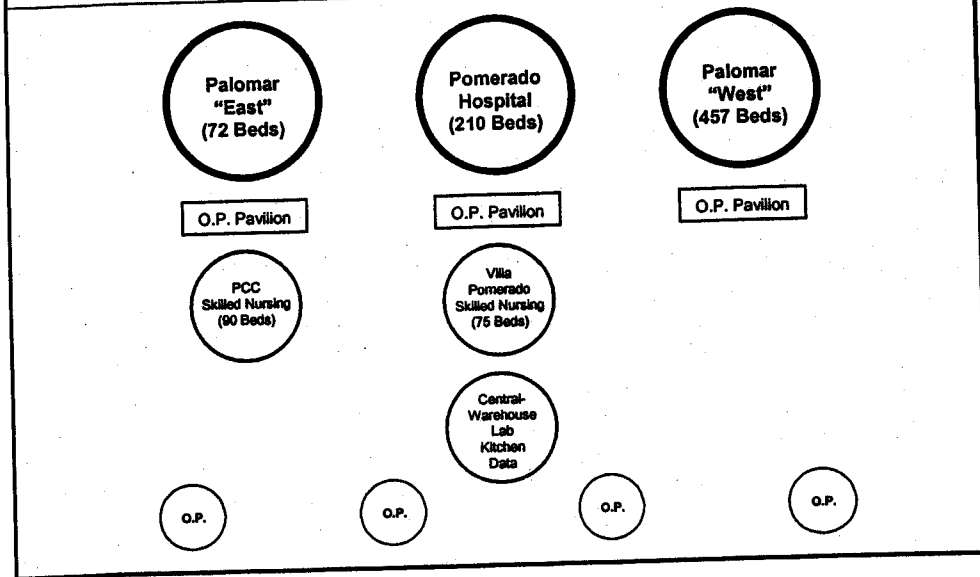
Aging Facilities and Infrastructure

Seismically non-Conforming Facilities

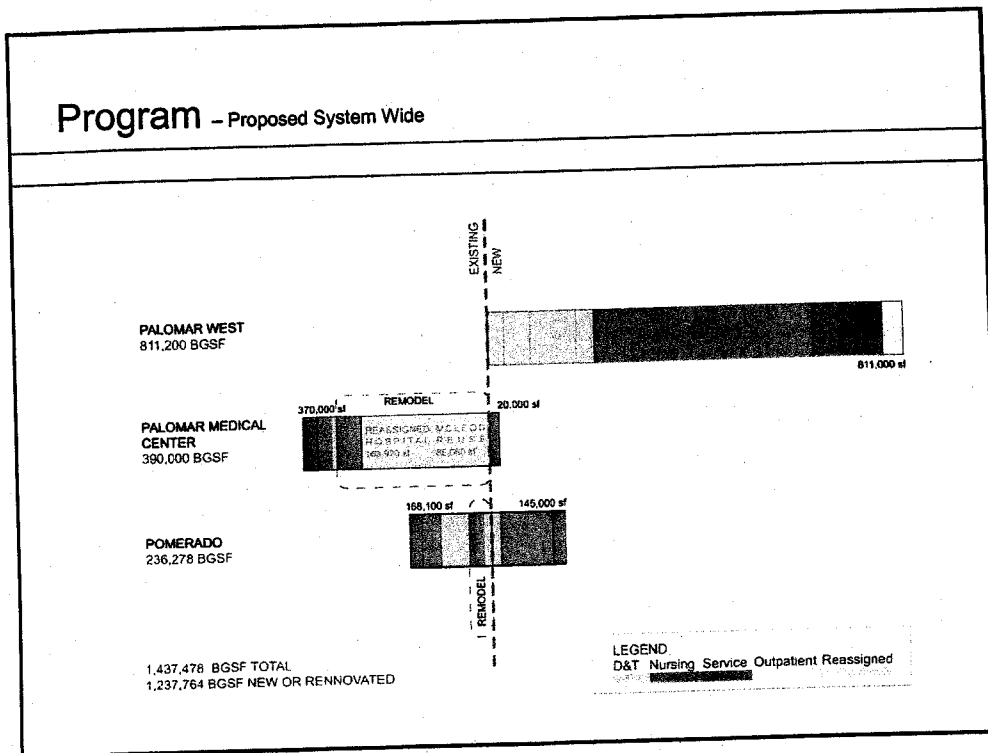
Ability to Improve Healthcare Delivery with New Facilities and Image

Ability to Better Recruit and Retain the Best Staff

Context - Future Health System



Program - Proposed System Wide



The Vision

Palomar Pomerado Health will 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.



The "Promise"

The Best Public Hospital

Highest Quality Care and Safety

Patient Focused and Staff Friendly

Accessible

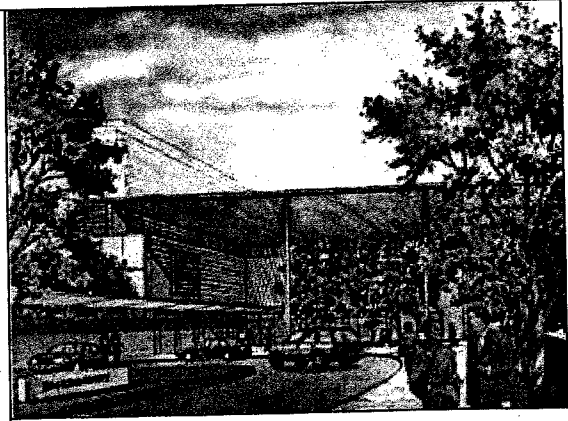
Efficient

Flexible

Sustainable

Project Overview

Palomar Medical Center-West

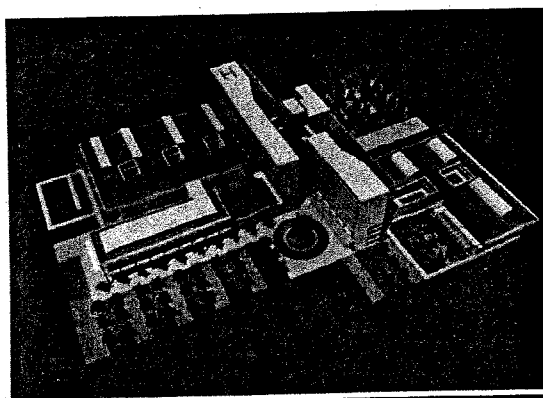


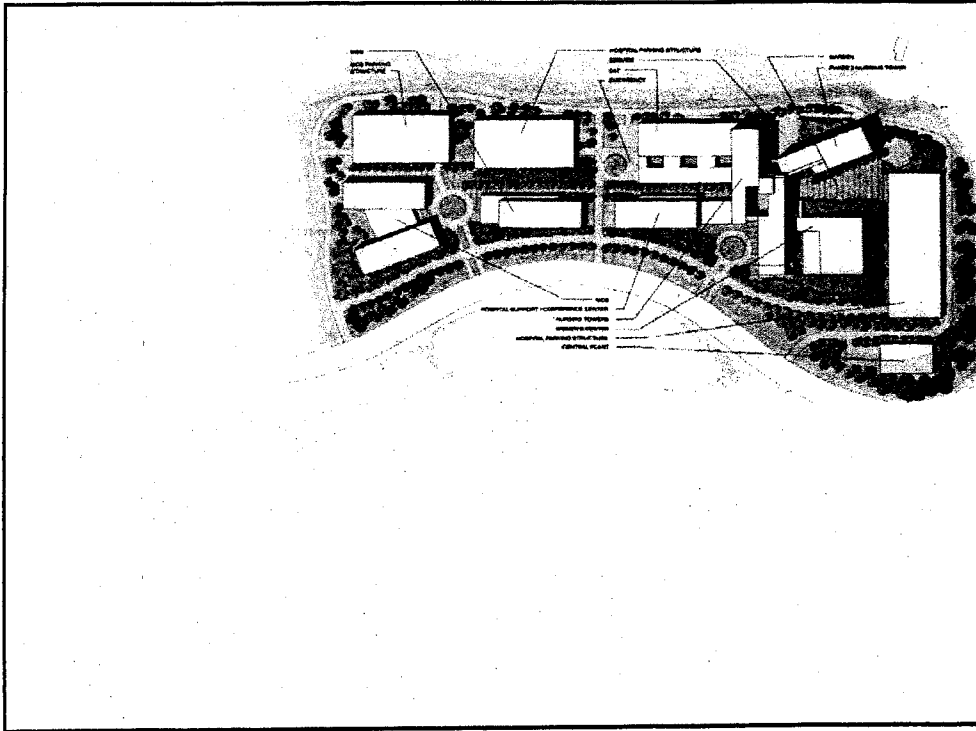
Palomar West

800,000 BGSF Hospital includes:

- 60 ICU Beds (10 shelled)
- 300 Med/Surg Beds (60 shelled)
- 16 Pediatric Beds
- 44 Post-Partum Beds
- 12 NICU Beds
- 12 Operating Rooms (1 OR shelled)
- 5 Cath. Labs. / Interventional
Radiology Rooms
- 42 E.D. Stations (6 shelled)
- 17 Imaging Rooms (2 shelled)
- 21 LDR / Antepartum Rooms

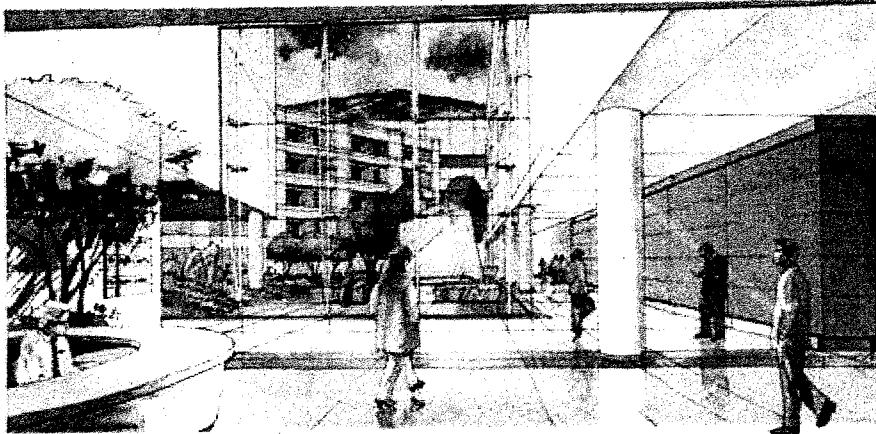
Women's Outpatient Center





Project Overview

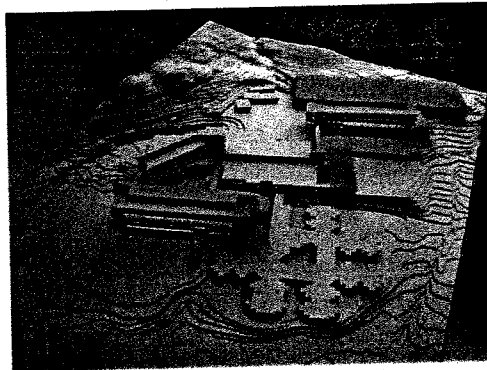
Pomerado Hospital



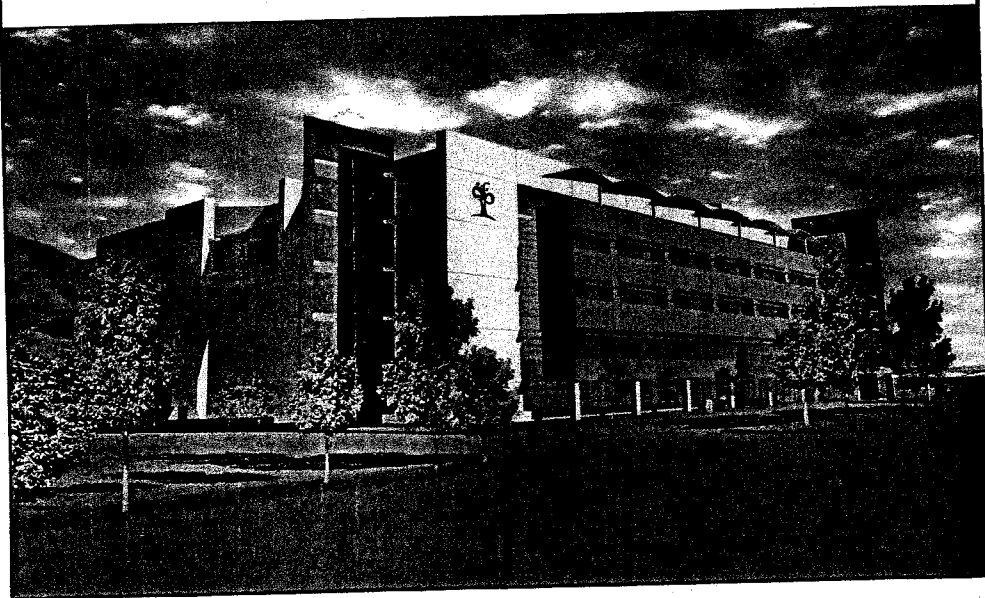
Pomerado Hospital

144,950 BGSF Hospital Expansion, 33,150 DGSF Hospital Remodel, and 88,720 DGSF Hospital to remain includes:

- 24 ICU Beds (8 Beds shelled)
- 148 Med/Surg Beds (60 Beds shelled)
(includes 24 IMC / Telemetry Beds)
- 18 Post-Partum Beds / 6 GYN Beds
- 4 NICU Beds
- 4 Operating Rooms
- 1 Cath. Lab. and Expanded Cardiology
- 22 E.D. Stations
- 4 Imaging Rooms
- 7 LDR / 4 Antepartum Rooms
New Conference / Education Center

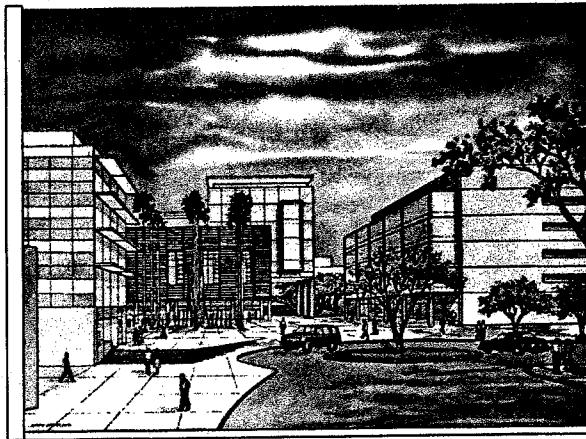


New Patient Tower – Approach View



Project Overview

Palomar Medical Center East



Palomar Medical Center East

Acute Rehab Hospital – 30-50 beds

Behavioral Health Programs – 54 beds
• Geriatric and Alzheimer's Focus

Ambulatory Services
• 23 Hour Urgent Care

Funding Consideration: Off Balance Sheet
• 23 Hour Outpatient Surgery
& Extended Care Hotel

Center for Advanced Surgery
• Visiting doctors and piloting new equipment
technology and practices

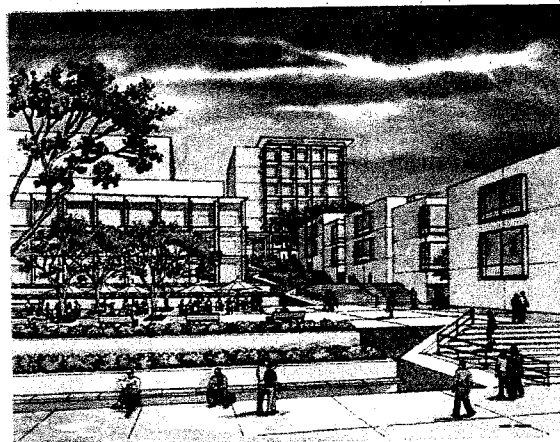
Structured Parking for Hospital and Downtown

Skilled Nursing Facility – 100-150 beds

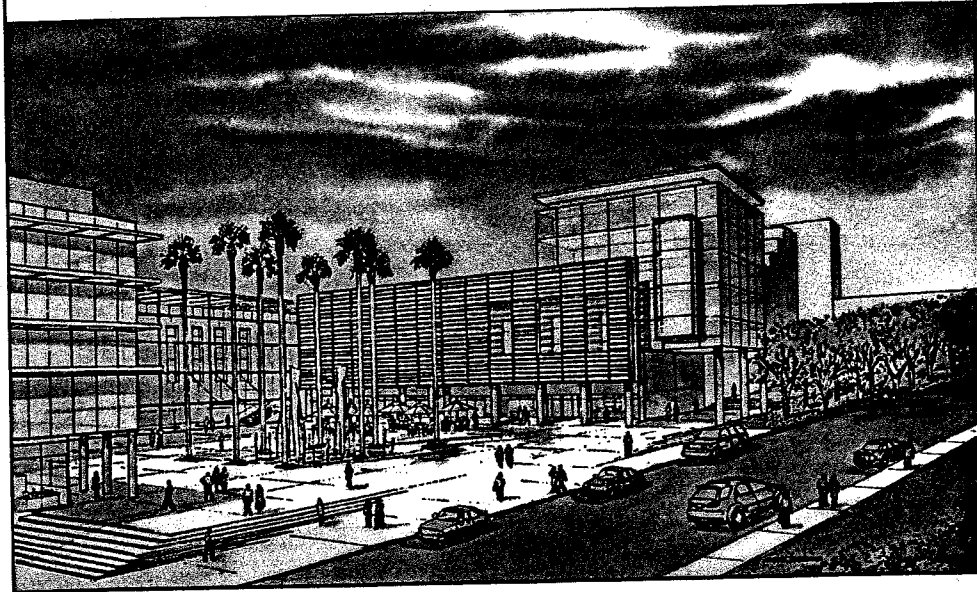
Corporate and Administrative Offices

Educational Facilities
• Wellness / Gym
• Magnet High School

Housing – 150-300 Units
• Short and Long Term Housing for Employees
• Hospital Adjacent Senior Housing
• Assisted Care Housing
• Mixed Use Retail / Commercial



Palomar Medical Center East



Facility Master Plan Summary Project Schedule

PALOMAR MEDICAL CENTER SECOND CAMPUS

Task	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OUTPATIENT SERVICES PAVILION										
Design / Documents / Plan Review										
Bid / Construction										
Move-in										
HOSPITAL										
Program / Design										
Construction Documents										
Plan Review (OSHPO)										
Bidding										
Construction - Shell										
Construction - Interior										
Move-in										

POMERADO HOSPITAL

Task	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
OUTPATIENT SERVICES PAVILION										
Design / Documents / Plan Review										
Bid / Construction										
Move-in										
HOSPITAL										
Program / Design										
Construction Documents										
Plan Review (OSHPO)										
Bidding										
Construction - Shell										
Construction - Interior										
Construction - Remodel										
Move-in										

PALOMAR MEDICAL CENTER

Task	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Program / Design										
Construction Documents										
Plan Review (OSHPO)										
Bidding										
Pre-Construction Consideration										
Construction - Hosp. Remodel										
Construction - Demolition										
Construction - Med. and Rehab.										
Move-in										

PROJECT BUDGET		Beds	Budget
Program / Scope of Work			\$ x 1,000,000
PALOMAR MEDICAL CENTER SECOND CAMPUS		453	\$531.0
383 Bed Facility (assumes \$40M equip. reuse / annual cap.)			\$473.0
Shell - 60 M/S & 10 ICU Beds / D&T		(70 shell)	\$20.0
Outpatient Women's Center			\$8.0
Land Acquisition			\$30.0
PALOMAR MEDICAL CENTER		72	\$73.0
72 Bed Psych / Rehab Facility Reuse			\$47.0
Outpatient Surgery Center			\$1.0
Outpatient Oncology / Infusion Center			\$1.0
McLeod Improvements (Warm Shell)			\$24.0
POMERADO HOSPITAL		211	\$139.0
143 Bed Facility		(88 shell)	\$81.0
Shell - 60 M/S & 8 ICU Beds			\$22.0
Women's Floor			\$16.0
Outpatient Imaging Center			\$7.0
Outpatient Women's Center			\$4.0
Outpatient Surgery Center			\$9.0
SATELLITE CENTERS			\$10.0
TOTAL		736	\$753.0

Innovation for Community Benefit

Status

- Just completed Initial Phase of Design
- Focus on Space Planning (approx. 1.3 million square feet)
- Collective Effort of Expansion Steering Committee, Champion Teams and User Groups who have Identified Several Areas where Innovation is Starting to Occur
- Certain Aspects of the Innovation can be viewed as Leading Edge - Nationally



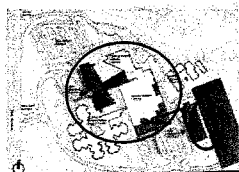
Innovation for Community Benefit

Objectives - To Develop

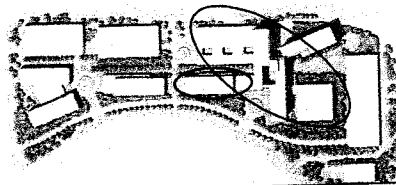
- ... the safest hospital for patients & staff
 - ... the fewest errors
 - ... the lowest infection rates
 - ... the best outcomes
- ... the highest patient & staff satisfaction
- ... the most efficient and cost effective operations
- ... the most environmentally sustainable facilities & operations
- ... the flexibility to accept the future's technology and practice

Innovation for Community Benefit

Program Allocation - "Lowest Cost Setting"



Pomerado Hospital



Palomar West Medical Center

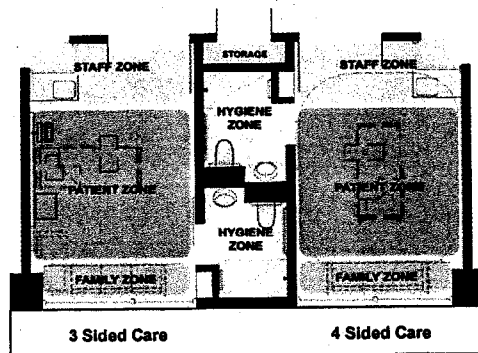
Central Warehouse
Central Kitchen
Data Center
Central Laboratory

Regional Services

Innovation for Community Benefit

Private / Acuity Adaptable Room

- Designed to allow "3-sided" and "4-sided" care
- Space for distributed work and supply areas
- Improved access to and visibility of the patient
- Dedicated zones within the room
- Large window to the outside (connection with nature)
- Wide door into the bathroom
- Mock up in progress



Innovation for Community Benefit

Environment

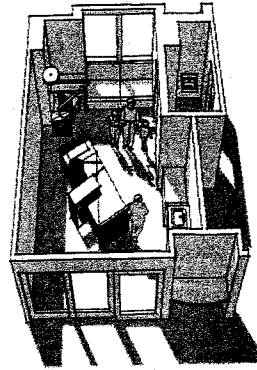
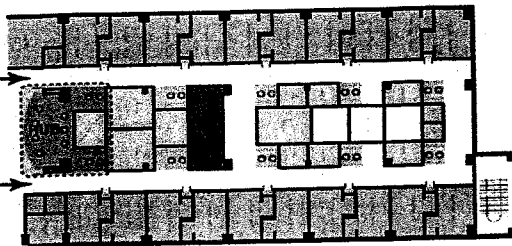
- Non-Institutional Design
- Convertibility of Room/Utility Configuration
- Connection to Nature



Innovation for Community Benefit

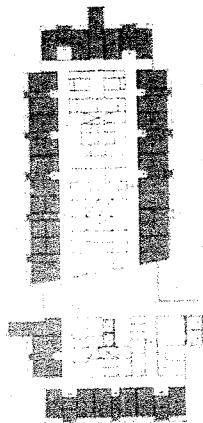
Distributed Nursing

- Improved observation of patient in room
 - Reduced Patient Falls
 - Increased Patient Satisfaction / Safety
- Reduced 'Hunting and Gathering'
 - Shorter walking distances to bedside
- Supports multiple staffing ratios

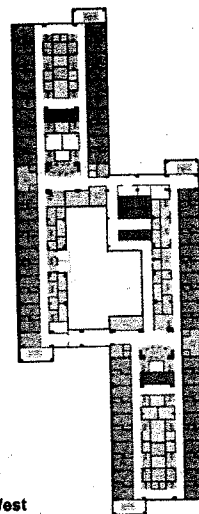


Innovation for Community Benefit

Reassignable Unit Design



Pomerado

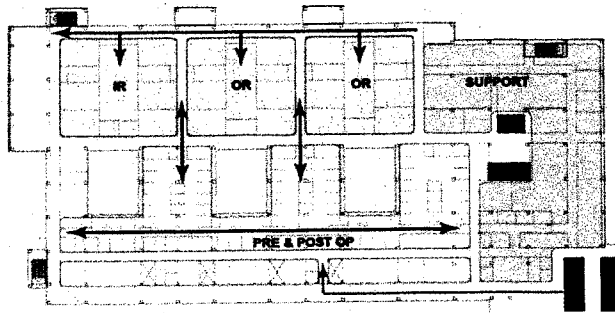
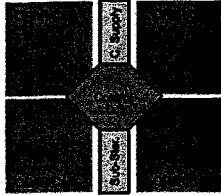


Palomar West

Innovation for Community Benefit

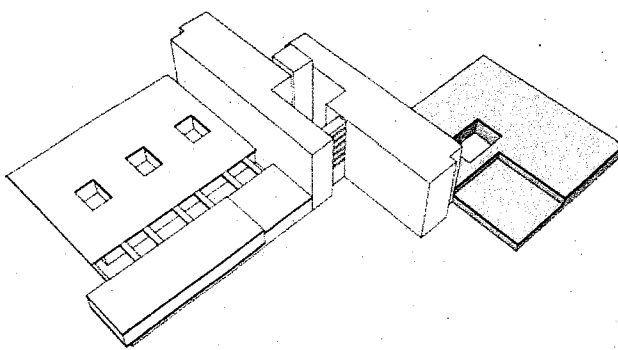
Integrated Interventional Platform

- Increased Flexibility
 - Surgery (less invasive)
 - Interventional Radiology (more interventional)
- Promotes interaction among specialist (erosion of "Kingdoms")
- Staffing efficiencies

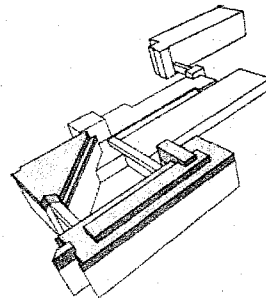


Innovation for Community Benefit

Women & Children's Center • Identify / Image



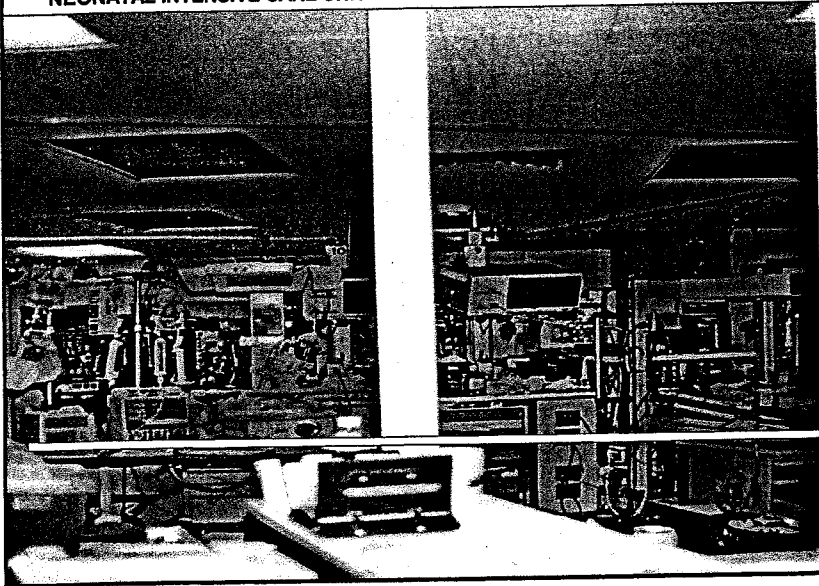
Palomar West Medical Center



Pomerado Hospital

Innovation for Community Benefit

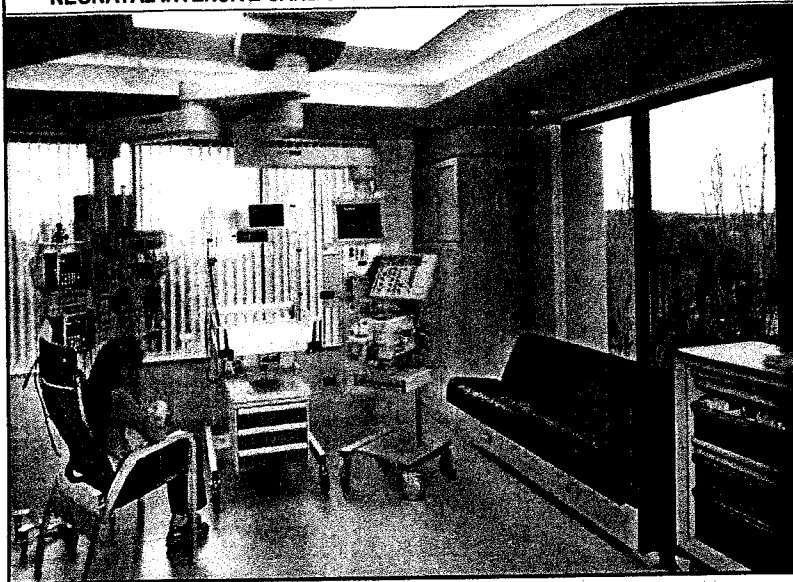
NEONATAL INTENSIVE CARE UNIT



Got Baby?

Innovation for Community Benefit

NEONATAL INTENSIVE CARE UNIT



180 SF Patient Area

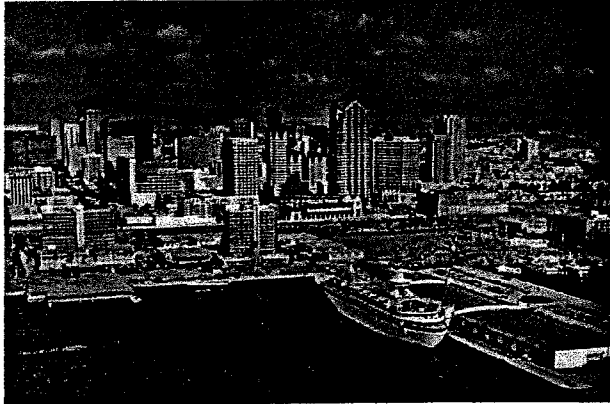
40 SF Family Area

865 SF/BED (DGSF)

Sustainable Healthcare Design

Mission

Protect and enhance the health of the individual and the community



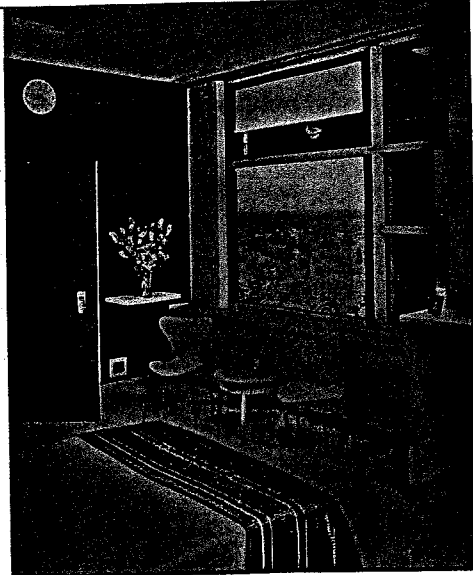
Principles

Reduce Environmental Impact
LEED Certification for Sustainable Hospital
Environments are difficult to attain
Pilot Project for GGHC, Green Guide
for Healthcare



Principles

Create Healing Environments



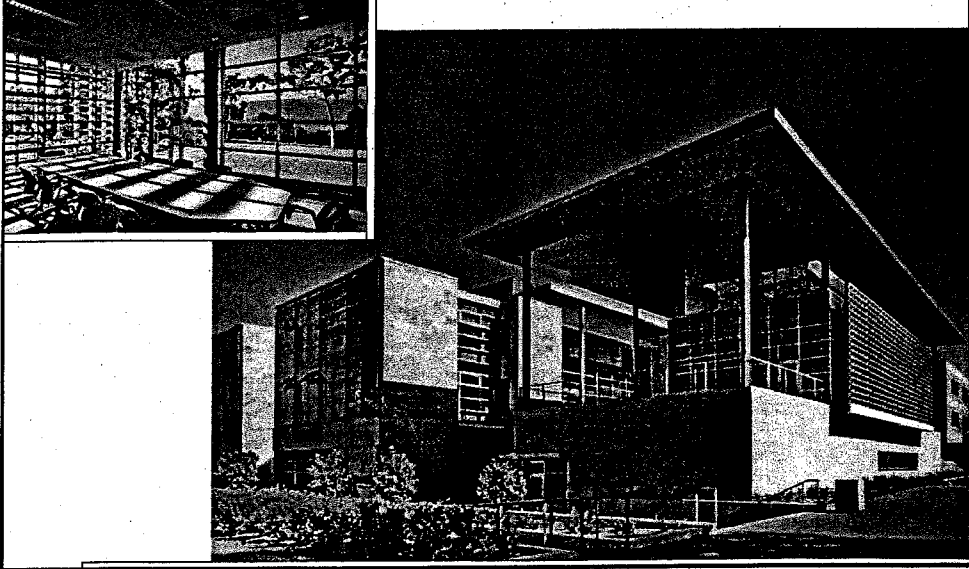
Benefits + Objectives

- Protected Natural Resources
- Protected Ecosystems
- Improved Medical Outcomes
- Healthier Caregivers
- Staff Recruitment & Retention
- Increased Productivity
- Patient Satisfaction



Building Orientation

Daylight



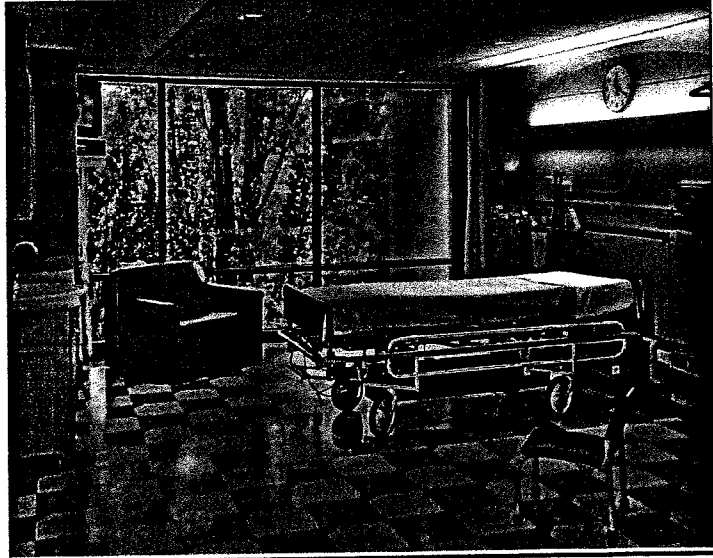
Building Orientation

Daylight



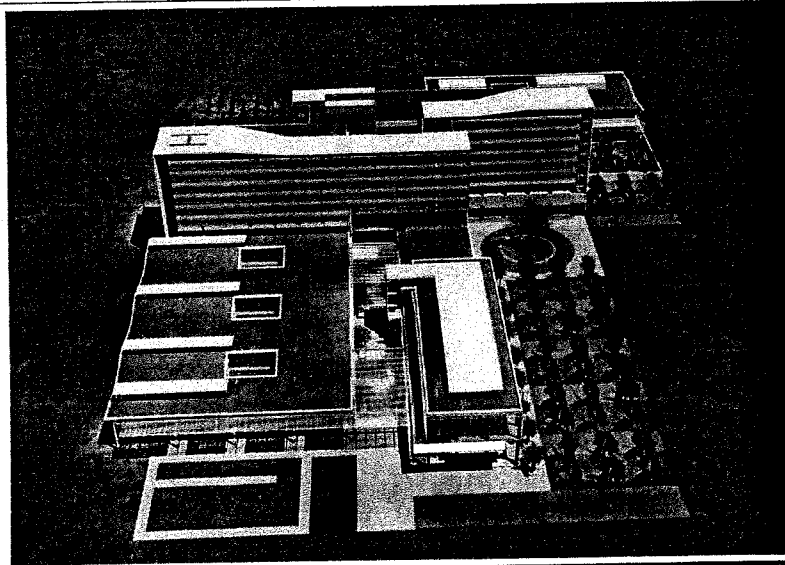
Building Orientation

Views



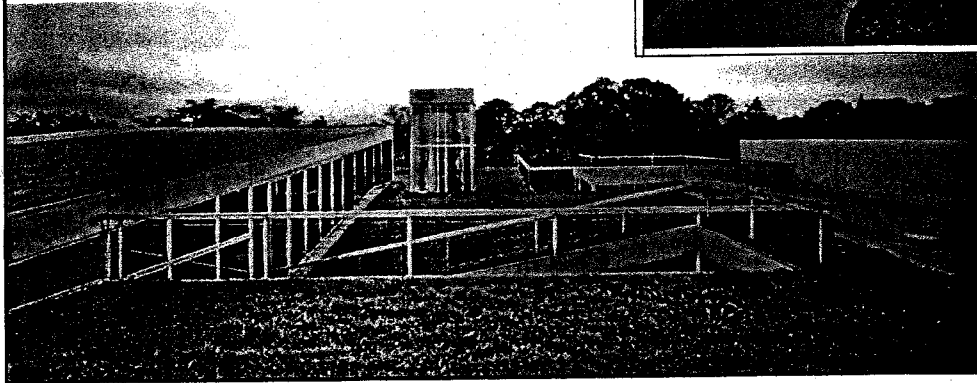
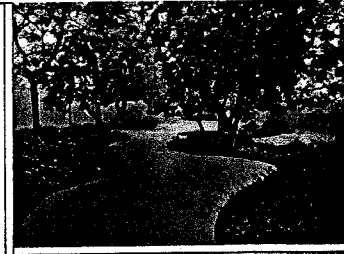
Building Orientation

Views

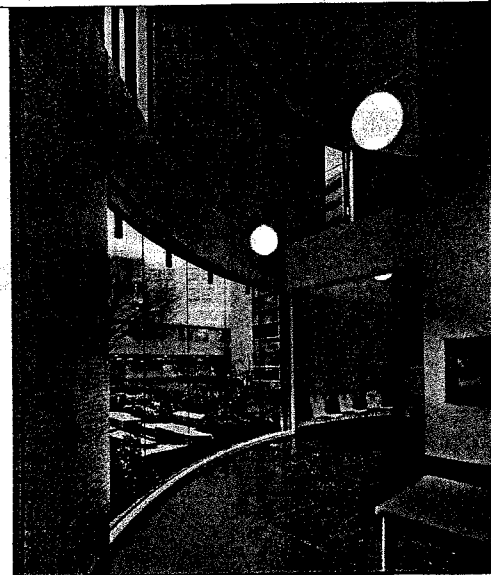
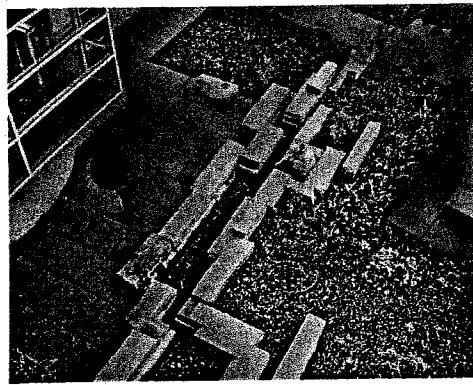


Green Roofs

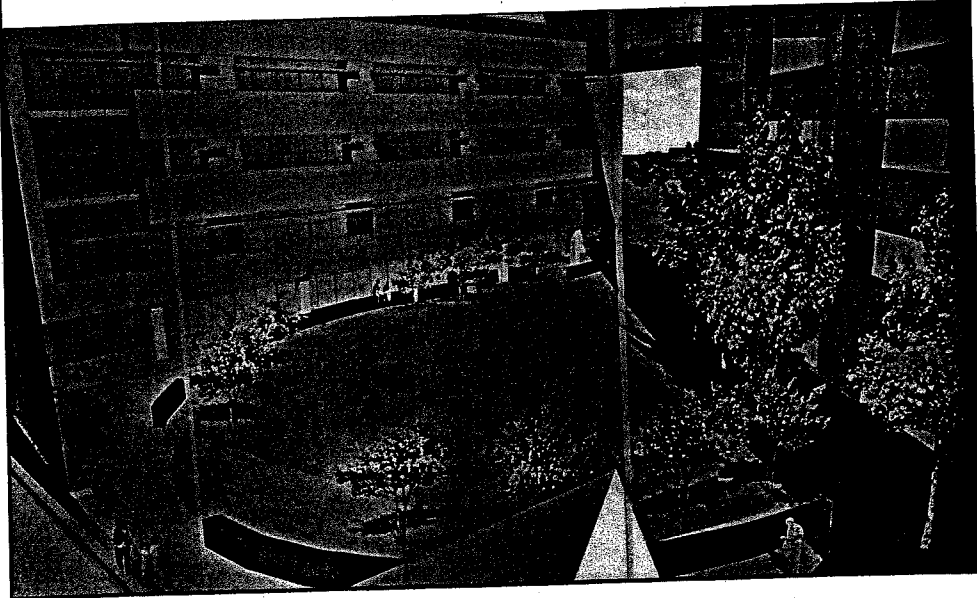
Energy Performance
Reduces Stormwater Runoff
Connection to Nature



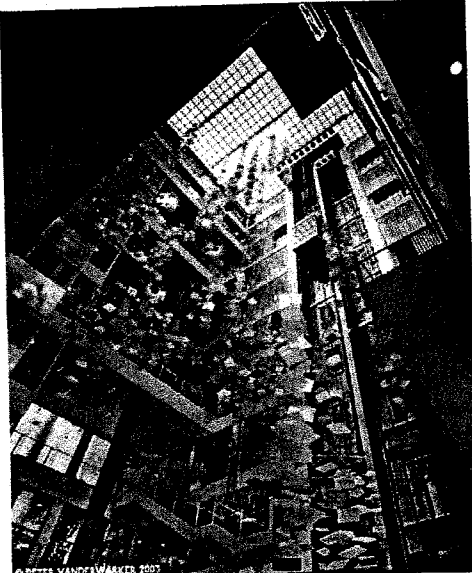
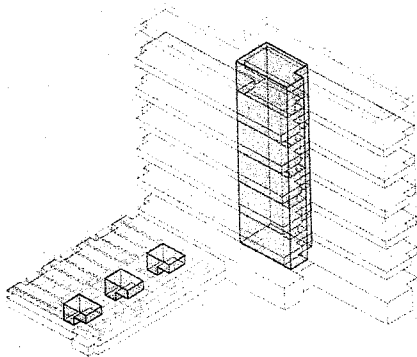
Connection to Nature



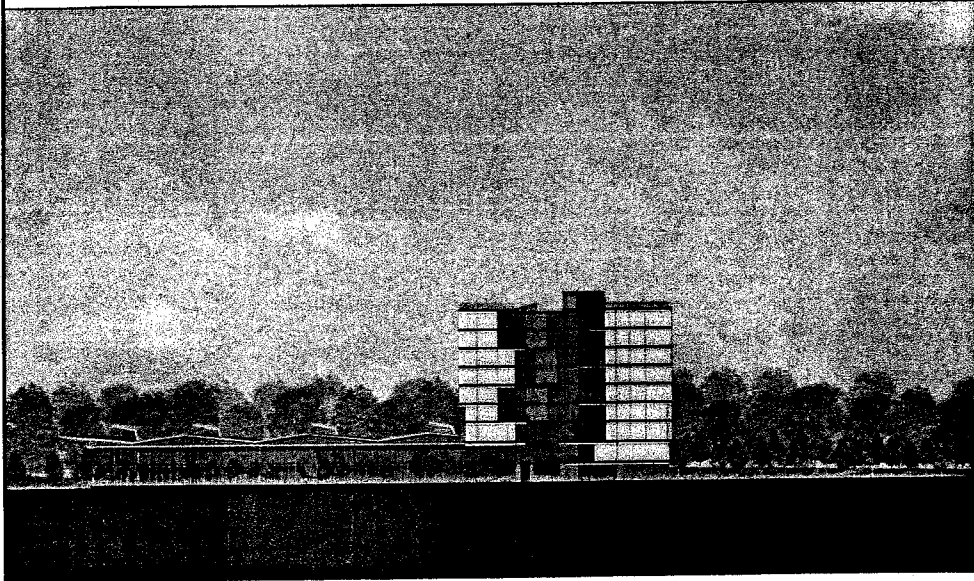
Connection to Nature



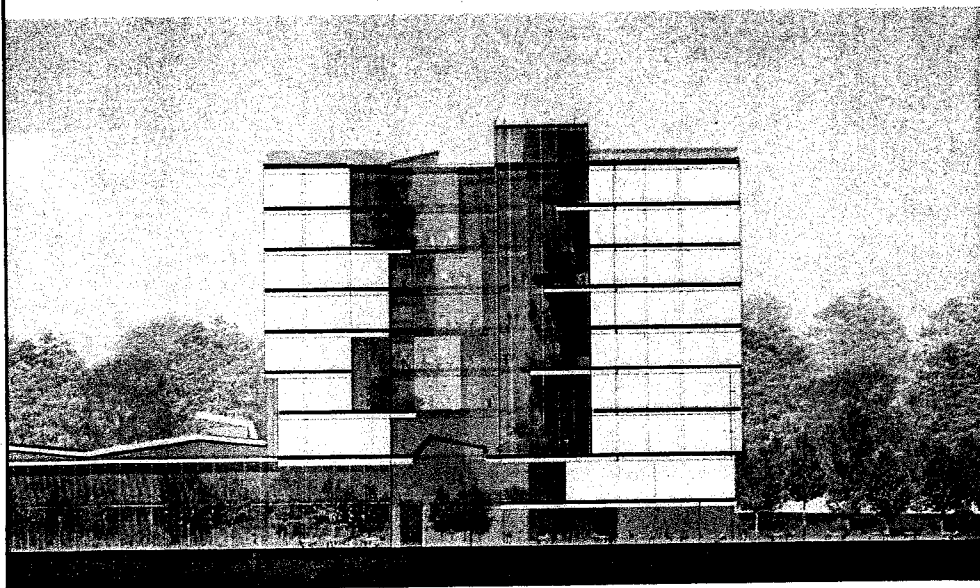
Interior Daylight



Connection to Nature



Connection to Nature



Planning for Innovation

Current Activities

- Room Mock-up Process (Patient Room, OR, LDR, NICU, Nurse Station)
- Integration and Overlay of Innovative Technologies and Medical Equipment
- Budget – Prioritization of the Implementation
Schematic Design Estimation for Palomar West
Schematic Design Estimation for Pomerado



Independent Citizens' Oversight Committee Membership Status Update

TO: Board of Directors
FROM: Independent Citizens' Oversight Committee
MEETING DATE: Monday, March 13, 2006
BY: Bob Hemker, CFO

Background: On Wednesday, October 5, 2005, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their second meeting.

In accordance with §5.2(a)(3) of the ICOC Procedures, Policies & Guidelines (PP&G), which states that members of the ICOC may "not have an immediate family member who is an employee, official, vendor, contractor or consultant of the District," Secretary Jerry Kaufman (*Business Organization representative*) verbally submitted his resignation, as his adult son is employed by Palomar Pomerado Health. Mr. Kaufman's resignation was held in abeyance pending discussions with Bond Counsel, who has since confirmed its propriety. Contingent on that confirmation, the members of the ICOC agreed to nominate current *At Large representative* John McIver as Mr. Kaufman's replacement, both as Secretary and as the **Business Organization representative**. No further action is necessitated by Mr. Kaufman's resignation, as the remaining membership is at the required minimum of nine.

Budget Impact: N/A

Staff Recommendation: Appointment of John McIver both as Secretary of the ICOC and from *At Large* to **Business Organization representative**

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time:

Independent Citizens' Oversight Committee Committee Update

TO: Board of Directors
FROM: Independent Citizens' Oversight Committee
MEETING DATE: Monday, March 13, 2006
BY: Bob Hemker, CFO

Background: On Wednesday, October 5, 2005, the Palomar Pomerado Health Hospital, Emergency Care, Trauma Center Improvement and Repair Measure Bonds Independent Citizens' Oversight Committee (ICOC) held their second meeting.

At that meeting, a motion was made and carried to recommend to the District Board that the schedule, agendas & minutes for ICOC meetings be posted to the PPH Web site. §6.4 of the PP&G addresses the posting of meeting minutes; however, authorization by the District Board would be required for the posting of agendas and schedules.

Budget Impact: N/A

Staff Recommendation: Authorization for the posting of the agendas and schedules for the ICOC to the PPH Web site.

Committee Questions:

COMMITTEE RECOMMENDATION:

Motion: X

Individual Action:

Information:

Required Time: