

A meeting of the Washington Township Health Care District Citizens' Bond Oversight Committee was held on Tuesday, June 24, 2008 in the Conrad E. Anderson, MD Auditorium A, 2500 Mowry Avenue, Fremont, California. Co-Chairperson Al Huezo called the meeting to order at 5:02 p.m. and led those present in the Pledge of Allegiance.

*CALL
TO
ORDER*

Roll call was taken. Committee members present: Al Huezo; Ken Rankin; Jack W. Balch. Susanna Wong was excused From the meeting.

*ROLL
CALL*

Also present: Ed Fayen, Associate Administrator; Catherine Messman, Treasurer; Maria Collier, Committee Clerk

Guests: Robert Grassi, Joe Tada, Chris Breitling, Bill Emberly, John Tran, Eric Christen, Nicole Goehring

Mr. Ken Rankin moved for approval of minutes from the February 20, 2008 meeting. On a second by Mr. Jack W. Balch and Mr. Al Huezo, the motion was unanimously carried.

*APPROVAL OF
MINUTES OF
FEBRUARY 20, 2008*

Ed Fayen provided a chronology of the Central Plant and Center for Joint Replacement Project activity beginning 2000 to current.

PROJECT UPDATES

Mr. Fayen stated that Swinerton Builders has been selected as the General Contractor with a target construction start date in September 2008. There was a construction procurement schedule projected over head and reviewed.

Mr. Rankin inquired if the Hospital's construction projects are inspected by the City of Fremont or by the State of California. Ed Fayen indicated projects are inspected by The Office of Statewide Health and Planning Department "OSHPD" and The City of Fremont has no purview over the project. He added the Hospital employs an Inspector of Record ("IOR") who is on-site to ensure that construction of buildings occurs according to design plans and state regulations.

Mr. Huezo asked to review the project costs. Mr. Fayen indicated the approved project budget for the Central Plant and three other related projects stands at 68 Million (for construction only). The Center for Joint Replacement Project is budgeted at 32-34 Million.

Finally, Mr. Fayen reported that not much construction has taken place in the past three months but data and telecommunication plans and have been worked on and electrical connection lines have been re-designed during this quarter.

Cathy Messman presented the financial reports for period ending March 31, 2008. Ms. Messman reminded the Committee that funds are invested with the Local Agency Investment Fund, with a current interest rate of 4.2%.

FINANCIAL REPORT

The Financial Reports were reviewed and there was a brief discussion regarding hospital related budgets. Mr. Balch commented it is hard to understand where the project funds are being applied based on the reports provided to the Committee. He indicated a report that includes the variance in the budget compared to actual project costs would be a much more meaningful financial report to the Committee. Mr. Balch also requested to review the project's financial situation if funds are running low before the project is completed. It was discussed that simple graphs with measurable points would simplify where the financials stand compared to the project budget would be ideal. Finally, Mr. Balch requested a cost tracking system be established for the Bond Oversight Committee so they can monitor construction costs as the project progresses. Ms. Messman confirmed that she will work on a cost tracking and reporting system specifically for the Committee.

Mr. Huezo inquired about costs related to the construction of the Center for Joint Replacement. Mr. Fayen confirmed that the CJR Project is not included in the Bond Measure and will not be funded by the Bond. Therefore, the Committee is not required to provide oversight on the CJR portion of the project.

Maria Collier indicated the next scheduled meeting is on Wednesday, October 1, 2008. All members tentatively confirmed their availability and requested that rescheduling of meetings be kept to a minimum in the future.

*OTHER ITEMS
MEETING
SCHEDULE*

There being no further business, the meeting adjourned at 5:49 p.m.

ADJOURNMENT

Susanna Wong
Madame Chairperson
Citizens' Bond Oversight Committee