



AGENDA
SPECIAL FINANCE COMMITTEE OF THE
EL CAMINO HOSPITAL BOARD OF DIRECTORS

Thursday, February 27, 2025 – 4:00 pm
 El Camino Health | 2500 Grant Road Mountain View, CA 94040

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT: **1-669-900-9128, MEETING CODE: 956 8005 6480#**. **No participant code.**
Just press #

To watch the meeting, please visit: [Finance Committee Meeting Link](#)

Please note that the livestream is for meeting viewing only and there is a slight delay; to provide public comment, please use the phone number listed above.

NOTE: In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Board member is participating in the meeting via teleconference.

A copy of the agenda for the Special Finance Committee Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1.	CALL TO ORDER / ROLL CALL	Don Watters, Chair	Information	4:00 pm
2.	CONSIDER APPROVAL OF AB 2449 REQUEST	Don Watters, Chair	Possible Motion	4:00 pm
3.	POTENTIAL CONFLICT OF INTEREST DISCLOSURES	Don Watters, Chair	Information	4:00 pm
4.	PUBLIC COMMUNICATION a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Correspondence <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Don Watters, Chair	Information	4:00 pm
5.	RECESS TO CLOSED SESSION	Don Watters, Chair	Motion Required	4:06 – 4:07
6.	STRATEGIC OPTIONS RE SERVICES AND PROGRAMS AT HOSPITALS INCLUDING LOS GATOS REDEVELOPMENT <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i>	Carlos Bohorquez, CFO Omar Chughtai, CGO A.J. Reall, VP of Strategy	Discussion	4:07 – 5:15
7.	STRATEGIC BALANCE SHEET OPTIONS – PLAN OF FINANCE FOR	Carlos Bohorquez, CFO	Discussion	5:15 – 6:22

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
	<p>SERIES 2025 BONDS (REFUND SERIES 2015A, SERIES 2009A AND ISSUE NEW DEBT) <i>Health and Safety Code Section 32106(b) – for a report and discussion involving healthcare facility trade secrets regarding new services or programs</i></p>			
8.	RECONVENE TO OPEN SESSION	Don Watters, Chair	Motion Required	6:22 – 6:23
9.	<p><u>LOS GATOS HOSPITAL REDEVELOPMENT PROJECT</u> - Recommend to the Board of Directors approval of \$5.0 million to fund initial design development phase</p>	Don Watters, Chair	Motion Required	6:23 – 6:24
10.	<p><u>PLAN OF FINANCE FOR SERIES 2025 BONDS (REFUND SERIES 2015A, SERIES 2009A AND ISSUE NEW DEBT)</u> - Recommend to the Board of Directors approval of Resolution 2025-01 2025 Tax-Exempt Bond Financing and Related Transactions</p>	Don Watters, Chair	Motion Required	6:24 – 6:25
11.	<p>CLOSED SESSION REPORT OUT To report any required disclosures regarding permissible actions taken during Closed Session.</p>	Gabe Fernandez, Governance Services Coordinator	Information	6:25 – 6:26
12.	CLOSING COMMENTS	Don Watters, Chair	Information	6:26 – 6:29
13.	ADJOURNMENT	Don Watters, Chair	Motion Required	6:30 pm

Upcoming Meetings: March 31, 2025; May 27, 2025



**EL CAMINO HOSPITAL FINANCE COMMITTEE
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital Finance Committee
From: Carlos Bohorquez, Chief Finance Officer
 Omar Chughtai, Chief Growth Officer
 Andreu Reall, Vice President, Strategy
Date: February 27, 2025
Subject: Strategic Options – New Services / Programs at Hospitals

Recommendation:

Management is requesting the Finance Committee recommend Board approval of \$5.0 million to fund the initial Design Development phase (6 months), which will further define the strategic project's framework / design, capital cost and timing.

Executive Summary:

1. Summary:

The Los Gatos (LG) Hospital redevelopment project is a strategic initiative aimed at modernizing and expanding the LG campus. Redevelopment is necessary to meet the market needs, and ensuring compliance with SB 1953 which mandates updating hospital facilities meet specified seismic criteria by calendar year 2030.

2. Assessment:

Management has evaluated the current site, market dynamics, and future opportunities for a potential replacement facility.

3. Outcomes:

Management proposes moving forward with the recommended building framework, by funding the Design phase of the project. This will require an initial \$5.0 million

List of Attachments:

1. None

Suggested Board Discussion Questions:

1. None



**EL CAMINO HOSPITAL BOARD OF DIRECTORS
FINANCE COMMITTEE MEETING MEMO**

To: El Camino Hospital Finance Committee
From: Carlos Bohorquez, Chief Financial Officer
Date: February 27, 2025
Subject: Plan of Finance Resolution (2025-01) Recommendation for Board Approval

Recommendation:

To update the Finance Committee and get recommendation for Board approval of the proposed Plan of Finance Resolution.

Summary:

1. **Situation:** ECH has the opportunity to refund Series 2015A Bonds, restructure Series 2009A Bonds and issue new debt to fund key strategic projects.
2. **Authority:** The Finance Committee is the working committee of the Board to oversee the financial performance of the organization, review and approve management's recommendations on major capital projects, debt financing and/or strategic initiatives.
3. **Outcomes:** Management is requesting the Finance Committee to recommend for Board approval the following components for the plan of finance:
 - Refund Series 2015A Bonds (Outstanding Principal: \$117.3 million)
 - Issue new debt with a not to exceed \$100.0 million (one-hundred million)
 - Restructure Series 2009A VRDB Bonds (Outstanding Principal: \$49.9 million)

The components of the Plan of Finance provided that the maximum aggregate principal amount of Bonds that may be issued shall not exceed \$275,000,000.00 (two-hundred seventy-five million dollars).

List of Attachments:

1. Resolution 2025-01 (2025 Tax-Exempt Bond Financing and Related Transactions)

Suggested Board Discussion Questions:

1. None

EL CAMINO HOSPITAL BOARD OF DIRECTORS**RESOLUTION 2025-01****2025 TAX-EXEMPT BOND FINANCING AND RELATED TRANSACTIONS**

WHEREAS, El Camino Hospital, a California nonprofit public benefit corporation (“Corporation”), is the sole member of an Obligated Group (the “Obligated Group”) created by that certain Master Indenture of Trust, dated as of March 1, 2007, between the Corporation and Computershare Trust Company, National Association, as successor master trustee (the “Master Trustee”), as supplemented and amended to date (collectively, the “Master Indenture”).

WHEREAS, the Corporation’s management has consulted with its investment bankers and financial advisor regarding the Corporation’s current capital expenditure plan and benefits to the Corporation’s existing debt portfolio of issuing new debt, refinancing and/or redeeming and/or converting certain of the Corporation’s existing debt, entering into one or more hedging transactions, [and amending and restating the Master Indenture].

WHEREAS, the Corporation’s management has recommended a plan of finance (the “Plan of Finance”) that includes all or any of the following: (1) requesting the _____ (the “Conduit Issuer”) to issue one or more series of tax-exempt bonds (collectively, the “Bonds”) to finance the Plan of Finance, (2) the Corporation borrowing the proceeds of the Bonds, (3) the execution of Letter of Credit Reimbursement Agreements with respect to the Bonds or any portion thereof (the “LOCs”), (4) converting the interest rate setting mechanics for bonds previously issued for the benefit of the Corporation, (5) the execution and/or amendment and/or termination of one or more interest rate swap transactions (the “Swaps”), (6) the issuance of one or more Obligations pursuant to the Master Indenture to secure the Corporation’s obligations under certain agreements necessary to implement the Plan of Finance, [and (7) amending and restating the Master Indenture to modernize certain provisions and to implement changes to covenants for the benefit of the Obligated Group].

WHEREAS, the Plan of Finance contemplates that the Corporation expects the proceeds of the Bonds to be used for the purpose of (1) funding up to \$100,000,000.00 of new capital expenditures for the Obligated Group (the “New Money”), which may be used to fund future capital expenditures and/or to reimburse the Corporation for capital expenditures previously incurred by the Corporation, (2) refunding or redeeming or converting all or any portion of (a) Santa Clara County Financing Authority Variable Rate Revenue Bonds (El Camino Hospital), Series 2009A, currently outstanding in the aggregate principal amount of \$49,900,000.00, and (b) California Health Facilities Financing Authority Revenue Bonds (El Camino Hospital), Series 2015A, currently outstanding in the aggregate principal amount of \$117,290,000.00 (collectively, the “Prior Bonds”), (3) paying any costs associated with executing, amending or terminating any Swaps, and (4) paying all or a portion of the costs of implementing the Plan of Finance.

WHEREAS, after review and discussion of the Plan of Finance and other information presented by management with respect to the foregoing, the Board of Directors of this Corporation believes that it is in the best interests and in furtherance of

the nonprofit corporate purposes of this Corporation (1) to authorize and approve the Plan of Finance, (2) to approve the principal terms of all material agreements described herein as necessary to implement the Plan of Finance, (3) to authorize and approve the execution and delivery of all material agreements described herein as necessary to implement the Plan of Finance, and (4) to authorize and direct the other matters described in these resolutions.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of this Corporation authorizes, adopts, approves, confirms, directs, and ratifies the following:

1. The components of the Plan of Finance, provided that the maximum aggregate principal amount of Bonds that may be issued may not exceed \$275,000,000.00, which shall consist of (a) no more than \$100,000,000.00 aggregate principal amount of Bonds to finance New Money, (b) no more than the aggregate principal amount of Bonds that will be required to refund or redeem Prior Bonds to achieve debt service savings or other strategic objectives determined by an Authorized Officer, described below in these resolutions, and (c) amounts determined by an Authorized Officer as advisable to pay costs of issuance associated with the Plan of Finance.

2. Subject to the authorization, described below in these resolutions, of any Authorized Officer to finalize and approve the material agreements necessary to implement the Plan of Finance, the principal terms of all material agreements necessary to implement the Plan of Finance, which include:

(a) one or more bond indentures (collectively, the "Bond Indenture"), between the Conduit Issuer and _____ as bond trustee (the "Bond Trustee"), providing for the issuance of the Bonds;

(b) one or more loan agreements (collectively, the "Loan Agreement"), between the Conduit Issuer and the Corporation, providing for the loan of the proceeds of the Bonds and the Corporation's obligation to make the payments required to pay debt service on the Bonds;

(c) one or more offering statements (collectively, the "Offering Document"), in preliminary and/or final form, to be used in connection with the offer, placement, and sale of the Bonds;

(d) one or more bond purchase contracts (collectively, the "Purchase Contract"), among any or all of the Corporation, RBC Capital Markets or an affiliate ("RBC"), and Jefferies LLC or an affiliate ("Jefferies"), in connection with the sale of the Bonds;

(e) one or more Supplemental Master Indentures, between Corporation and the Master Trustee (collectively, the "Series 2025 Bond Supplemental Master Indenture"), pursuant to which the Corporation will issue one or more Obligations securing the Corporation's obligations under the Loan Agreement with respect to the Bonds (collectively, the "Series 2025 Bond Obligation");

(f) agreements as may be required to evidence any new Swaps, which may include one or more Supplemental Master Indentures, between the Corporation and the Master Trustee (the "New Swaps Supplemental Master Indentures"), and

agreements as may be required to evidence amendment and/or termination of existing Swaps, which may include an amendment to one or more existing Supplemental Master Indentures, between the Corporation and the Master Trustee (the “Swaps Supplemental Master Indenture Amendments”);

(g) agreements as may be required to evidence the LOCs and as may be required by the letter of credit providers to secure payment with respect to the LOCs, which may include a Supplemental Master Indenture, between Corporation and the Master Trustee (the “LOCs Supplemental Master Indentures”), pursuant to which the Corporation would issue an Obligation securing the Corporation’s obligations with respect to the LOCs (the “LOCs Obligations”);

(h) one or more remarketing agreements (collectively, the “Remarketing Agreement”), between the Corporation and a broker-dealer serving as remarketing agent, providing for the remarketing of Bonds issued as short-term variable rate demand obligations;

[(i) the Amended and Restated Master Trust Indenture, between the Corporation and the Master Trustee (the “A&R Master Indenture”), which may include a Supplemental Master Indenture between the Corporation and the Master Trustee to provide for the conditions to be satisfied for the A&R Master Indenture to become effective (the “A&R Master Indenture Supplement”)]; and

(j) one or more continuing disclosure agreements (collectively, the “Continuing Disclosure Agreement”), between the Corporation and a dissemination agent.

3. Any one or more Authorized Officers to finalize and approve the Bond Indenture, the Loan Agreement, the Offering Document, the Purchase Contract, the Series 2025 Bond Supplemental Master Indenture, the Series 2025 Bond Obligation, agreements relating to execution and/or amendment and/or termination of Swaps, the New Swaps Supplemental Master Indentures, the Swaps Supplemental Master Indenture Amendments, agreements relating to the LOCs, the LOCs Supplemental Master Indentures, the LOCs Obligations, the Remarketing Agreement, [the A&R Master Indenture, the A&R Master Indenture Supplement,] the Continuing Disclosure Agreement and other agreements, documents, instruments or certificates as may be reasonably necessary or advisable in connection with the implementation of the Plan of Finance.

4. Any one or more Authorized Officers to determine whether any portion of the Bonds shall be sold pursuant to a private placement arrangement and to negotiate and approve the final terms of such private placement arrangement, subject to the limits set forth in these resolutions.

5. Any one or more of the Authorized Officers to execute and deliver, in the name and on behalf of Corporation, for itself or as agent on behalf of the Obligated Group, any evidence required of the approval authorized hereby.

6. Each and any of the Authorized Officers to execute and certify to the Bond Trustee, the Master Trustee, any rating agency, any underwriter, any counterparty, or any other third party involved in the transactions contemplated by these resolutions, and any of their respective attorneys or other agents whatever

resolutions and actions and in whatever form as is consistent with these resolutions after this date, as may be required by such party to give them comfort that sufficient authorization has been given by this Board of Directors pursuant to the authorization and direction granted in these resolutions.

7. Any of the following named persons or the persons holding the following positions are designated as “Authorized Officers” for the purpose of these resolutions:

<u>Name</u>	<u>Position</u>
Carlos Bohorquez	Chief Financial Officer

8. Any prior resolutions of this Board of Directors contrary to these resolutions are hereby superseded and of no further force and effect.

9. All actions heretofore taken by this Board of Directors or the Corporation, on behalf of itself or on behalf of the Obligated Group, or their respective directors, trustees, officers, shareholders, employees, affiliates or agents, and all things done by the authority of any of the foregoing with respect to the actions contemplated by these resolutions.

10. These resolutions shall take effect immediately, and the authority conferred upon the Authorized Officers by these resolutions shall remain in full force and effect until written notice of revocation by further resolutions of this Board of Directors of this Corporation shall have been delivered.

DULY PASSED AND ADOPTED at a regular meeting held on March 12, 2025, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

John Zoglin, Secretary
El Camino Hospital Board of Directors