



September 18, 2025

TO: Legal Counsel

News Media

Salinas Californian

El Sol

Monterey County Herald

Monterey County Weekly

KION-TV

KSBW-TV/ABC Central Coast

KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE of SALINAS VALLEY HEALTH¹** will be held **MONDAY, SEPTEMBER 22, 2025, AT 4:00 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(For Public Access Information Visit <https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/>.)

A handwritten signature in black ink, appearing to read "Allen Radner", is positioned above the printed name.

Allen Radner, MD
President/Chief Executive Officer

Committee Voting Members: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice-Chair, **Allen Radner, MD**, President/CEO; **Iftikhar Hussain**, Chief Financial Officer; and **Tarun Bajaj, M.D.**, Medical Staff Member.

Advisory Non-Voting Members: Sanjeev Tandon, Community Members, Administrative Executive Team.

**FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH¹**

**MONDAY, SEPTEMBER 22, 2025, 4:00 P.M.
HEART CENTER TELECONFERENCE ROOM**

**Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California**

(Visit SalinasValleyHealth.com/virtualboardmeeting for Public Access Information)

AMENDED AGENDA

1. Call to Order / Roll Call

2. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

3. Approve Minutes of the Finance Committee Meeting of August 25, 2025 (REY)

- Motion/Second
- Public Comment
- Action by Committee/Roll Call Vote

4. Consider Recommendation for Board Approval of DRC 80 Ton Chiller and Cooling Tower (Miller/McCOY)

- Staff Report
- Committee Questions to Staff
- Public Comment
- Committee Discussion/Deliberation
- Motion/Second
- Action by Committee/Roll Call Vote

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

5. Consider Recommendation for Board Approval of Project Funding and Award Construction Contract to Avila Construction for the Salinas Valley Health 5 Lower Ragsdale Roofing Replacement Project (MILLER/McCOY)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
6. Consider Recommendation for Board Approval of Lease Amendment to Extend the Lease Agreement for 1756 North Main Street, Salinas for One Year (RAY)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
7. Consider recommendation to the SVH Board of Directors to approve (i) the purchase of additional units of Voting Membership Interest in Monterey Peninsula Surgery Center, and (ii) the execution of the MPSC Subscription Agreement by the SVH President/CEO, as approved by District Legal Counsel (RAY)
 - Staff Report
 - Committee Questions to Staff
 - Public Comment
 - Committee Discussion/Deliberation
 - Motion/Second
 - Action by Committee/Roll Call Vote
8. Financial and Statistical Review (CLEVELAND)
9. Closed Session
10. Reconvene Open Session / Report on Closed Session
11. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, October 20, 2025** at 4:00 p.m.

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Salinas Valley Health (SVH) Committee packet is available at the Committee Meeting, electronically at <https://www.salinasvalleyhealth.com/about-/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2025/>, and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3050 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

**FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): Trade secrets, strategic planning/proposed new programs and services

Estimated date of public disclosure: (Specify month and year): Unknown

ADJOURN TO OPEN SESSION

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT

DRAFT SALINAS VALLEY HEALTH¹
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES AUGUST 25, 2025

Committee Member Attendance:

Voting Members Present: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice-Chair, **Allen Radner, M.D.**, President/CEO, **Tarun Bajaj, M.D.**, Medical Staff Member; and **Scott Cleveland**, Interim CFO;

Voting Members Absent: None;

Advisory Non-Voting Members Present:

In person: Clement Miller, COO, Gary Ray, CLO; Carla Spencer, CNO, Alysha Hyland, CAO, and Timothy Albert, M.D., CCO.

Via WebEx: Michelle Childs, CHRO, and Sanjeev Tandon, Subject Matter Expert;

Other Board Members Present, Constituting Committee of the Whole:

In Person: Catherine Carson

Via teleconference: Rolando Cabrera, M.D.

Carla Spencer arrived at 4:09 p.m.

Tarun Bajaj, M.D. arrived at 4:20 p.m.

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Victor Rey, Jr., called the meeting to order at 4:01 p.m. in the Downing Resource Center, Rooms A, B, and C.

2. PUBLIC COMMENT: None.

3. MINUTES OF THE FINANCE COMMITTEE JULY 21, 2025

Approve the minutes of the July 21, 2025 Finance Committee meeting. The information was included in the Committee packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

MOTION:

Upon motion by Committee Member Dr. Radner, and second by Vice President Hernandez Laguna, the minutes of the July 21, 2025 Finance Committee are approved as presented.

ROLL CALL VOTE:

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, and Cleveland;

Nays: None;

Abstentions: None;

Absent: Dr. Bajaj.

Motion Carried

¹Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE ALLIANCE HEALTHCARE SERVICES (ALLIANCE), INC. MRI SERVICE CONTRACT ADDENDUM E

Clement Miller, COO, and John Kazel, Director Imaging Services, reported that Salinas Valley Health (SVH) has successfully renegotiated its current agreement with Alliance Imaging through Master Agreement Addendum E. As part of this renegotiation, ownership of the MRI scanner and the imaging building located at 444 E. Romie Lane will transfer to SVH, effective September 2025. At the time of transfer, the existing MRI system, manufactured by GE Healthcare, will have surpassed its OEM-supported service life. To ensure uninterrupted imaging services and operational continuity, Addendum “E” also secures a 24/7 on-site mobile MRI unit for a period of 24 months. This strategic addition provides a critical operational bridge while SVH advances two capital projects aimed at installing and commissioning two permanent, SVH-owned MRI systems on the medical campus.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: The transition plan was discussed. Additional staff will be needed during the transition. The current scanner is outdated which is creating a backlog of procedures. The full transition will be complete in January 2026. The new scanner will have improved image quality. SVH will staff the trailer and we will no longer have to depend Alliance staffing for MRI procedures.

MOTION:

Upon motion by Committee Member Dr. Radner, and second by Vice Chair Hernandez Laguna, the Finance Committee recommends the Board of Directors approval of the Alliance Healthcare Services, Inc. MRI contract Addendum E for the maximum amount of \$1,060,000.00 over the course of the contract.

ROLL CALL VOTE:

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, and Cleveland;

Nays: None;

Abstentions: None;

Absent: Dr. Bajaj.

Motion Carried

5. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS APPROVAL OF PROJECT BUDGET AND CONSTRUCTION CONTRACT AWARD FOR PHASE ONE AND PARTIAL PHASE TWO OF THE SALINAS VALLEY HEALTH THERMAL FLUID HEATING REPLACEMENT PROJECT

Clement Miller, COO, and Brad McCoy, Vice President of Facilities, Construction & Real Estate, reported that the Medical Center’s Central Utility Plant (CUP) is experiencing critical infrastructure failures due to aging systems installed in 1998. Key issues include a failed underground condensate pipe and a failing three-unit thermal fluid heater (TFH) system; both of which compromise steam supply, system reliability, and regulatory compliance. One of the three thermal fluid heaters has

permanently failed and cannot be refurbished. To facilitate the full replacement of the system and eliminate potential source equipment failure, the design and construction team developed a two phased plan. The first phase includes installation of two interim boiler units on the exterior of the building to provide source heating systems immediately to the medical center's distribution system. The work in phase one includes scope that will be leveraged short term to facilitate the replacement of the plant equipment during phase two and provides future resiliency for temporary redundant boiler connections.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: Phase one will include two temporary boilers connected to our system which will provide all steam while the replacement is under construction to be completed by May of 2027. Is there an audit of our critical systems? Under Dr. Radner's guidance the current focus is on critical systems which will include an audit.

MOTION:

Upon motion by Vice Chair Hernandez Laguna, and second by Committee Member Dr. Radner, the Finance Committee recommends the Board of Directors to approve (i) the total estimated project cost for the Salinas Valley Health Phase One scope and design work for Phase 2 in the budgeted amount of \$1,900,000 and (ii) award a construction contract to Val's Plumbing and Heating in the amount of \$563,520 under a sole source procurement process.

ROLL CALL VOTE:

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Dr. Bajaj and Cleveland;

Nays: None;

Abstentions: None;

Absent: None.

Motion Carried

6. CONSIDER RECOMMENDATION FOR BOARD OF DIRECTORS TO AWARD ULTRASOUND EQUIPMENT CAPITAL PURCHASE CONTRACT TO CANON MEDICAL SYSTEMS AND AWARD 4-YEAR SERVICE AGREEMENT TO CANON MEDICAL SYSTEMS

Clement Miller, COO, and John Kazel, Director Imaging Services, reported that Salinas Valley Health's (SVH) Ultrasound Department currently operates six (6) ultrasound units sourced from five different vendors, each with varying platforms and functionality. This fragmented equipment base has resulted in inconsistent image quality, operational inefficiencies, and variation in clinical performance. All six units have exceeded their original equipment manufacturers' (OEM) recommended service life, limiting reliability, service support, and the ability to provide patients with the highest standard of diagnostic imaging. To address these challenges, SVH Diagnostic Imaging is seeking approval to replace the existing ultrasound fleet with a standardized, state-of-the-art platform. This strategic replacement will align SVH with industry best practices, support clinical excellence, and sustain high-quality, cost-effective care delivery for our patients and community.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: SVH has been advised that approval of this project in August will avoid significant tariffs. This equipment is essential to patient diagnosis. Cameras can be installed within six weeks. Can the outgoing equipment be used for humanitarian purposes? That can be investigated. Director Hernandez Laguna stated he has some ideas and would like to be included in the process.

MOTION:

Upon motion by Committee Member Dr. Bajaj, and second by Vice Chair Hernandez Laguna, the Finance Committee recommends the Board of Directors (i) award ultrasound equipment capital purchase contract to Canon Medical Systems in the amount of \$672,536.00, and (ii) award 4-year service agreement to Canon Medical Systems in the amount of \$194,400.00 for a total amount of \$866,936.00.

ROLL CALL VOTE:

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Dr. Bajaj and Cleveland;

Nays: None;

Abstentions: None;

Absent: None.

Motion Carried

7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF EXPANDED USE OF VENDORS TO COLLECT OUTSTANDING ACCOUNTS RECEIVABLES AGED GREATER THAN 90 DAYS

Scott Cleveland, Interim CFO, and Tiffany Rodriguez, Assistant Director PFS/Registration, reported that the purposes of this request are to be prepared for the EPIC go live, support staff with legacy inventory in order for there to be a healthy balance between working down the legacy system and learning a new system. This will also improve cash flow and A/R days while accessing specialized experts in the industry. The recommendation is to use Medical Data Exchange, our existing Billing Clearinghouse, to assist with our Medi-Cal data and to use FinThrive, our existing vendor who handles contract management, charge master and patient estimates. Both vendors have healthy experience in claims reviews and A/R clean-up projects.

A full report was included in the packet including sole-source justification.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: Accounts Receivables is critical to financial wellbeing. Timely efforts must be made to collect on the accounts, totaling \$42 million in net revenue. Fees paid to the vendors will be a percentage of the amount recovered; FinThrive is 28% and Medical Data Exchange 15%. Each vendor may take up to one year to manage the accounts. Anticipated revenue collected is \$10M with FinThrive and \$600-700K for Medical Data Exchange. Leadership engaged in negotiations to have staff perform the work; however, agreement was not reached. Aging accounts is a national issue due to slow payment by insurance companies, denial tactics; each denial has to be rebuilt.

MOTION:

Upon motion by Committee Member Cleveland, and second by Committee Member Dr. Radner, the Finance Committee recommends the Board of Directors (i) approve the total estimated project cost associated with outsourcing A/R aged greater than 90 days in the amount of \$3,250,555 and (ii) award the contracts for this work to Medical Data Exchange and FinThrive.

ROLL CALL VOTE:

Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Dr. Bajaj and Cleveland;

Nays: None;

Abstentions: None;

Absent: None.

Motion Carried

8. FINANCIAL PERFORMANCE REVIEW

An update was received from Scott Cleveland, Interim CFO, on the Financial Performance Review for the month of July 2025. Highlights included Income from Operations \$6.4M, Net Income \$6.0M, and Days Cash on Hand of 371.

A full report including the July Summary Financials, Financial Statements, Budget Comparison, and Statistics was included in the packet for review.

COMMITTEE MEMBER DISCUSSION: None

9. FY ENDED JUNE 30, 2025 BALANCED SCORECARD

Scott Cleveland, Interim CFO, reported on the Balanced Scorecard Summary for FY Ended June 30, 2025.

- Service Pillar: Performance to Targets ranged from 98.2% to 104.7%. Annual Incentive Program (AIP) payout is 11.3%.
- People Pillar: Performance to Targets ranged from 98.8% to 99.3%. AIP payout is 10.2%.
- Quality and Safety: Performance to Targets ranged from 84.7% to 108.8%. AIP payout is 14%.
- Finance: Performance to Target was 190.7%. AIP payout is 30.0%.
- Growth: Performance to Targets ranged from 100% to 200%. AIP payout is 13.1%.
- Community: Performance to Targets ranged from 120% to 150%. AIP payout is 7.5%.
- Total AIP Funding is projected as 86.1% payout percentage.

A full report was included in the packet.

COMMITTEE MEMBER DISCUSSION: The executive team is working on FY26 goals. Director Carson gave kudos to the Emergency Department because even with the tents, the ED exceeded their goal for *Likelihood of Recommending*; this is a team effort of nursing, physicians and staff.

10. CLOSED SESSION

Chair Rey announced that the item to be discussed in Closed Session as listed on the posted Agenda is *Report Involving Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*.

The meeting recessed into Closed Session under the Closed Session Protocol at 5:04p.m.

11. RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Board reconvened Open Session at 5:35 p.m. Chair Rey announced that in Closed Session, the Board received *Report Involving Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*. No action was taken.

12. ADJOURNMENT

There being no other business, the meeting was adjourned at 5:35 p.m. The next Finance Committee Meeting is scheduled for **Monday, September 22, 2025**.

Victor Rey, Jr., Chair

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board of Directors to Award Contract to Val's Plumbing for the Replacement of the DRC 80 Ton Chiller and Cooling Tower**

Executive Sponsor: Clement Miller, COO
Bradley McCoy, VP Facilities, Construction and Real Estate
Laura Zerbe, Manager Facilities Construction and Plant Operations

Date: September 22, 2025

Executive Summary

The Salinas Valley Health's Downing Resource Center (DRC) was built in 1993 to improve parking on and around the campus and was also developed to house a number of vital services that support the operations of the systems medical center. The cooling equipment that supports the structure is original to the building and 10 years past its useful life. This cooling system consists of two units that work in conjunction with each other to maintain the temperature for office spaces, sleep rooms, the warehouse and the electrical room as well as conference rooms and biomedical services.

The DRC's 80 Ton Chiller works with the Cooling Tower to provide all comfort cooling to the DRC's HVAC system. This equipment is in poor condition which is resulting in inadequate temperature control, throughout the structure. Due to these findings it is recommended that we replace the 80 Ton Chiller and its Cooling Tower to ensure adequate cooling to the building for the next 20+ years.

Background/Situation/Rationale

With the cooling system being original to the building we've known that the time would come to replace the equipment but have been able to delay its replacement through the meticulous efforts of the Salinas Valley Health Facilities team. Upon recent inspection it's been determined that the cooling tower condition is untenable, leaking water from rusted seams which are no longer repairable. Adding to the concern for the cooling capabilities the equipment is located indoors with other equipment and utilities for which water exposure may be compromising. If we were to experience a sudden failure of the DRC Cooling Tower, we run the risk of losing cooling capabilities to the vital departments located in the DRC.

In its current state the chiller produces half the cooling it is designed to provide, due to certain key components being beyond repair. This reduction in cooling capacity has led to reports of discomfort for staff in offices throughout the DRC, and for groups assembling in the DRC ABC Conference space, especially during the warmer months. The current lead-time for equipment availability is 26 weeks, purchasing now allows us to replace equipment during the cooler months, reducing our need for temporary cooling measures.

The requests for the 80 ton chiller and cooling tower were submitted for capital budget approval as two separate line items. Because both pieces of equipment were approved for budget, these will be treated as one project going forward. In addition it should be noted that we may be required to install a refrigerant leak alarm system, due to building code changes. For this reason we are requesting an additional \$75,000 contingency hold, above the previously approved amount of the combined capital projects.

Timeline

October 2025	Procure services
April 2026	Commence replacement
May 2026	Complete and secure agency approvals from authorities having jurisdiction (City of Salinas)

Strategic Plan Alignment

The purpose of this purchase is to ensure adequate cooling for DRC offices, meeting spaces, physician sleep rooms and supply storage for the next 20+ years.

Pillar/Goal Alignment

☐ Service ☒ People ☒ Quality ☐ Finance ☐ Growth ☐ Community

Financial Implications

Budget: The DRC 80 Ton Chiller and Cooling Tower cost is \$1,023,362 with funding allocated as follows:

\$398,269.00	Material (taxable)
\$36,839.88	Estimated tax on material
\$209,949.00	Labor (non-tax)
\$303,304.12	Subcontractors/other (non-tax)
\$75,000.00	Contingency hold for code change
<hr/>	
Total: \$1,023,362	

Key Contract Terms	Vendor: Val’s Plumbing
1. Proposed effective date	9/30/2025
2. Term of agreement	Net 30 after delivery and/or installation of equipment or services
3. Renewal terms	N/A
4. Termination provision(s)	Termination for convenience, with amounts due to supplier for work performed and materials procured.
5. Payment Terms	Net 30 after delivery and/or installation of equipment or services
6. Annual cost	N/A not a recurrent cost
7. Cost over life of agreement	\$ 1,023,362
8. Budgeted (indicate y/n)	Yes (2026-59, 2026-68)

Recommendation

Consider Recommendation for Board of Directors to award the contract to Val’s Plumbing for the replacement of the DRC 80 Ton Chiller and Cooling Tower in the amount of \$1,023,362.00 which includes the requested contingency of \$75,000.

Attachments

Attachment 1: Val’s Plumbing Contract

Val's PLUMBING & HEATING, INC.

CALIFORNIA STATE CONTRACTORS LICENSE NUMBER 236164

Telephone (831) 424-1633 • Fax (831) 754-5514

413 FRONT STREET

SALINAS, CALIFORNIA 93901-3609

REV5

PROPOSAL SUBMITTED TO:		PHONE	831-202-6817
ATTN	LAURA Z. & DONALD T.	DATE	7-31-2025
NAME	SALINAS VALLEY HEALTH	JOB NAME	REPLACEMENT TRANE CHILLER
STREET			& COOLING TOWER FOR DRC
CITY	SALINAS		
STATE	CA 93901		

WE PROPOSE TO FURNISH ALL MATERIALS AND PERFORM ALL LABOR NECESSARY TO COMPLETE THE FOLLOWING:

CHILLER REPLACEMENT:

- DISCONNECT AND SAFE-OFF EXISTING TRANE CHILLER.
- REMOVE EXSITING CHILLER AND DISPOSE OF PER INDUSTRY STANDARDS.
- **PROVIDE & INSTALL NEW TRANE RTWD 80 TON WATER COOLED CHILLER.**
 - HIGH EFFICIENCY, COMPLIANT WITH T24 PATH A EFF. REQUIREMENTS
 - 77.94 TONS TOTAL CAPACITY, IPLV.IP=0.5319. NPLV.IP = 0.5408 KW/ton
 - 460V, 3PH. MCA = 92.0a, MOCP = 125a
 - 2 COMPRESSOR, 2 CIRCUITS
- RECONNECT EXISTING CONDENSER AND CHW LINES TO NEW CHILLER.
- INSTALL NEW PIPE HANGERS FOR NEW PIPING ARRANGEMENT AT CHILLER.
- LAG DOWN NEW CHILLER TO EXSITING HOUSEKEEPING PAD.
- PROVIDE FOR SIEMENS BMS INTERFACE CONNECTION AND PROGRAMMING FOR NEW CHILLER TO BE ON EXISTING BMS SYSTEM. NO ADDITIONAL POINTS.
- INSULATE NEW PIPING RELATED TO CHILLER CONNECTIONS.
- REPLACE 2 - EXISTING TACO CHW PUMP WITH NEW PUMPS. NEW PUMPS TO BE TACO PUMPS WITH 5HP MOTOR, BUT IMPELLERS TRIMMED FOR 185 GPM @ 50 FT HEAD.
- START UP NEW CHILLER AND PROVIDE REPORT.
- LABOR FOR INSTLLATION AS DESCRIBED ABOVE, ALL DURING NORMAL WORKING HOURS M-F BETWEEN 7AM – 4PM.
- PERMIT READY SET OF DRAWINGS AND SUBMISSION FOR PERMIT APPROVAL ARE INLCLUDED FOR THIS SCOPE OF WORK. ACTUAL PERMIT FEES WILL BE INVOICED IN ADDITION TO THIS PROPOSAL COST. DESIGN TEAM OR THIS PROJECT WILL BE COLEBREIT, AURUM, AND WR&D, LEAD BY COLEBREIT.

COOLING TOWER REPLACEMENT:

- DISCONNECT AND SAFE OFF PIPING, PLUMBING, AND SHEET METAL FOR EXISITNG B.A.C. COOLING TOWER THAT SERVES 70 TON CHILLER.
- PROVIDE NEW REPLACEMENT S.S. COOLING TOWER WITH SPRAY PUMP TO MATCH EXISTING FOR 80 TON CHILLER. NEW CT TO BE S.S. CONSTRUCTION, 460V, 3PH, WITH SIMILAR SENSORS, CONTROLS, AND CONNECTIONS AS EXISTING COOLING TOWER.
- PROVIDE HARDWARE AND MATERIALS TO SECURE NEW COOLING TOWER TO EXISTING HOUSEKEEPING PAD.
- REPLACE TWO CONDENSER WATER PUMPS ASSOCIATED WITH COOLING TOWER, BUT WITH FLOW CAPACITY FOR 80 TONS OF CAPACITY. RE-USE EXISTING PIPING BETWEEN PUMPS AND CHILLER.
- MODIFY UNINSULATED PIPE & VICTAULIC FITTINGS FOR NEW CONDENSER PUMPS AND COOLING TOWER. RE-USE EXISITNG ISOLATION VALVES AND PIPE & FITTING THAT DO NOT REQUIRE ADJUSTMENT FOR NEW EQUIPMENT.

- RE-CONNECT WATER SUPPLY AND DRAINS FOR COOLING TOWER BEING REPLACED.
- START UP AND TEST NEW COOLING TOWER, PUMPS, AND LOCAL CONTROLS PROVIDED WITH THE COOLING TOWER.
- PROVIDE PLAN DEVELOPMENT FOR PERMIT SUBMISSION FOR THIS SCOPE; TO BE BY COLEBREIT ENGINEERING, AURUM CONSULTING, AND WR&D.
- LABOR FOR REPLACEMENT AS DESCRIBED DURING REGULAR HOURS.
- DISCONNECT AND RECONNECT SIEMENS BMS CONTROL OF COOLING TOWER & PUMPS AS NEEDED.
- DISPOSE OF OLD COOLING TOWER AND RELATED MATERIALS.

TOTAL ABOVE AS DESCRIBED: \$ 948,362.00

- **\$ 398,269.00 - Material (taxable)**
- **\$ 209,949.00 - Labor (non-tax)**
- **\$ 303,304.12 - Subcontractors/other (non-tax)**

CHILLER REPLACEMENT CLARIFICATIONS:

1. NO OVERTIME OR PREMIUM TIME LABOR IN PRICE. ALL WORK IS PRICED TO BE COMPLETED M-F DURING NORMAL WORKING HOURS.
2. NO PERMITS, FEES, CALCS, DRAWINGS, OR PERMIT SUBMISSION IN PRICE.
3. SCOPE OF WORK IS LIMITED TO THE DESCRIPTION ABOVE. ANY ADDITIONAL WORK WILL BE AT ADDITIONAL COST, AND PRE-APPROVED BY SVH ENGINEERING PRIOR TO START.
4. **ALL ELECTRICAL, WIRING, BREAKER AND WIRE SIZE CHANGE, CONDUIT, POWER DISCONNECT AND RE-CONNECT, SERVICE DISCONNECTS, ARE RESPONSIBILITY OF SVH. NOT INCLUDED IN THIS PRICE.**
5. **CHAINLINK FENCE AT GATE NEAR LOADING DOCK TO BE REMOVED AND REINSTALLED BY SVH TO ALLOW FOR CHILLER PATH OF TRAVEL IN AND OUT OF MECH ROOM.**
6. **DOUBLE DOOR FRAME REMOVAL AND REINSTALL BETWEEN DRC AND LOADING DOCK AREA AT HALLWAY TO BE THE RESPONSIBILITY OF SVH.**
7. **ANY TEMPORARY COOLING REQUIRED DURING THE COURSE OF CHILLER REPLACEMENT IS THE RESPONSIBILITY OF SVH.**
8. VAL'S WILL REMOVE OLD CHILLER THROUGH DRC LOADING DOCK, AND ALSO BRING NEW CHILLER THROUGH LOADING DOCK.
9. PRICING EXCLUDES ROOM REFRIGERANT ALARM SYSTEM OR ANY ADDITIONAL SAFETY OR VENTILATION OR BMS CONTROLS MEASURES.
10. VAL'S WILL BE AS CAREFUL AS POSSIBLE AND PROVIDE RAM BOARD FLOOR PROTECTION WHERE CHILLER IS ROLLED ACROSS CARPET FLOORING. VAL'S CANNOT BE HELD RESPONSIBLE BY SVH FOR ANY EXISTING CARPET OR FLOORING DAMAGES, SHOULD THEY OCCUR.
11. ALL INCIDENTAL DAMAGES IN RELATION TO THIS SCOPE OF WORK TO BE REPAIRED BY SVH AT NO COST TO VAL'S.
12. **THIS QUOTE EXCLUDES ANY REFRIGERANT MONITORING SYSTEM, ADDITIONAL FANS OR CONTROLS RELATED TO REFRIGERANT MONITORING WITHIN THE MECHANICAL ROOM.**
13. CHILLER LEAD-TIME IS CURRENTLY APPROX 26 WEEKS TO ARRIVE, FROM TIME OF ORDER.

COOLING TOWER REPLACEMENT CLARIFICATIONS:

1. ELECTRICAL WORK, INCLUDING SAFE-OFF, DISCONNECT AND RECONNECTS, AND ANY OTHER ELECTRICAL OR CIRCUIT BREAKER CHANGES TO BE BY SVH.
2. WATER TREATMENT, PASSIVATION, AND ANY CHEMICALS FOR WATER TREATMENT SYSTEMS ARE ALL EXCLUDED FROM THIS BUDGET.
3. ACTUAL COST OF PERMITS, FEES, OR OTHER CONSULTANTS NOT LISTED ARE EXCLUDED.
4. NO OTHER REPAIRS, MAINTENANCE, OR SCOPE IS INCLUDE IN THIS BUDGET UNLESS SPECIFICALLY LISTED ABOVE AS PROJECT SCOPE.
5. NO UPGRADES OR CHANGES TO ANYTHING ELSE WITHIN THE COOLING TOWER SPACE.
6. NO CURRENT CODE ENHANCEMENTS IN THIS PRICING.
7. NOTHING IS INCLUDED IN THE PRICING UNLESS SPECIFICALLY LISTED AS INCLUDED ABOVE.

Termination for Convenience by SVH:

The Hospital reserves the right to terminate this Agreement, in whole or in part, at any time and for any reason, by providing the Contractor with at least thirty (30) calendar days' written notice. In such event, the Contractor shall be entitled to payment for work satisfactorily performed and materials properly procured up to the effective date of termination. No further compensation shall be due for work not performed, lost profits, or other consequential damages. Notwithstanding the foregoing, SVH acknowledges that if the Contractor has placed orders for materials with long lead times that are non-returnable and/or special order, and such orders cannot be canceled at the time of termination, SVH shall remain responsible for the cost of those materials, including any applicable handling and delivery charges, even if delivery occurs after the termination date. These items shall be clearly documented by the Contractor and must have been ordered in good faith as part of the fulfillment of this Agreement.

Pricing valid for 30 days from this quote date.

We hereby propose to furnish labor and materials – complete in accordance with the above specifications, for the amount of ****SEE ABOVE**** Dollars \$ with payment to be made as follows: **PAYMENT UPON COMPLETION. SEE BELOW TERMS.**

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accident or delay beyond our control. This proposal subject to acceptance within 30 days and is void thereafter at the opinion of the undersigned.

TERMS AND CONDITIONS OF SALE

1. All accounts are due and payable **NET 45** after delivery and/or installation of equipment or services. Customers without an account, payment is due upon completion unless prior terms are mutually agreed upon by VAL'S PLUMBING & HEATING, INC. and Customer.
2. Unpaid balances may be charged interest at a rate of 1.5% per month (18% annually) after due date.
3. Customer shall be liable for any and all costs of collection incurred by VAL'S PLUMBING & HEATING, INC. (including court costs and attorney's fees) arising from the collection of unpaid invoices issued to customer.
4. In the event that VAL'S PLUMBING & HEATING, INC. must litigate in its efforts to collect unpaid invoices, customer agrees to have any resulting court case heard in The County of Monterey Judicial District.
5. The person executing this document warrants and represents that they have the authority to bind Customer to these Terms and Conditions of Sale by affixing their signature hereto.
6. By acceptance of this proposal, if progress and/or final payment is not received timely and Val's is forced to retain an attorney and/or file a lien/stop notice, all associated costs and attorney's fees are agreed to be paid for by the owner/general contractor in default.

ACCEPTANCE OF PROPOSAL

*PERMIT: ☒ A permit is required for this scope of work. (If checked, see below.)
☐ Owner to obtain permit. ☐ Val's is to obtain permit

ACTUAL COST OF PERMITS WILL BE INVOICED IN ADDITION TO THIS PROPOSAL. THE COST OF PERMITS ARE UNKNOWN AT THIS TIME.

*****CALLING FOR INSPECTION IS THE RESPONSIBILITY OF THE OWNER.**

The above prices, specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

DATE 7-31-2025 SIGNATURE Claude Bastianelli
Val's Plumbing & Heating Inc.

ACCEPTED:

DATE _____ SIGNATURE _____
Must be signed by Owner or Officer

PRINT NAME _____

Agenda Item: Consider Recommendation for Board Approval of Project Funding and Award Construction Contract to Avila Construction for the Salinas Valley Health 5 Lower Ragsdale Roofing Replacement Project

Executive Sponsor: Clement Miller, Chief Operating Officer
Brad McCoy, Vice President of Facilities, Construction and Real Estate

Date: September 15, 2025

Executive Summary:

Facilities Management is pursuing activities to replace the existing roofing assemblies at the 5 Lower Ragsdale medical office building with a new, conventional thermoplastic polyolefin (TPO) single-ply roofing system. Approval for comprehensive project funding in the total estimated amount of \$2,769,745 and award of construction contract to Avila Construction in the amount of \$2,372,745 is being requested.

Background/Situation/Rationale:

The roof system installed at 5 Lower Ragsdale is end of its useful life. The existing 65,000 square foot roofing assembly has been experiencing multiple areas of water intrusion. The facility completed construction documents and specifications prepared by WRD. Permits have been secured through the City of Monterey Building department for the replacement of the existing roofing system with a new thermoplastic polyolefin (TPO) single ply roof system. Proposed upgrades to the roofing system will include; (A) new rigid insulation underlayment and densdeck, (B) new flashing and counter flashing at curbs, parapets, repairs at air handler unit platforms and penetrations, (C) new single ply 60 mil roofing membrane, (D) retrofitting of existing utility piping supports to comply with current code regulations, (E) replace of existing natural gas piping distribution currently installed on the roof, (F) new lath & plaster parapets at southeast and southwest building corners to match existing, and (G) various repairs to damaged electrical infrastructure and code required fall protection units.

Salinas Valley Memorial Healthcare System publicly solicited for construction services and acquired four (4) bids with Avila Construction submitting the lowest responsive and responsible bid.

Timeline/Review Process to Date:

September 2025: Anticipated Award of Construction and Project Funding

October 2025: Commence with construction activities.

December 2025: Project and administrative closeout.

Pillar/Goal Alignment:

☒ Service ☐ People ☒ Quality ☐ Finance ☐ Growth ☐ Community

Financial/Quality/Safety/Regulatory Implications

Key Contract Terms	Contractor: Avila Construction
1. Proposed effective date	Issuance of Notice to Proceed anticipated on October 1, 2025
2. Term of agreement	90 calendar days
3. Renewal terms	Not Applicable
4. Termination provision(s)	Provided in Bid Specifications-Part 12 of General Conditions- Section 007000
5. Payment Terms	Lump Sum
6. Compensation	\$2,372,745
7. Cost over life of agreement	Not Applicable
8. Budgeted (indicate y/n)	Yes. Fiscal Year 2026 Routine Capital Project included funding for this project.

Recommendation:

Consider recommendation to Board of Directors (i) to approve the total estimated project cost for the SVH 5 Lower Ragsdale Roofing Replacement Project in the amount of \$2,769,745 and (ii) award construction contract to Avila Construction for the SVH 5 Lower Ragsdale Roofing Replacement Project in the amount \$2,372,745.

Attachments:

- (1) Total project estimated costs prepared September 15, 2025 at procurement phase.
- (2) Bid Summary
- (3) Avila Construction Bid Forms

Salinas Valley Health

Project Cost Summary: 5 LOWER RAGSDALE DRIVE ROOF REPLACEMENT CIP 01.1250.3940

Architect/Engineering: WRD Architects

Budget Generated at Procurement Phase

Budget Date: 9/15/2025

Print Date: 9/15/2025



BUDGET SUMMARY				
Line Item		Description	Original Budget	Notes
	1	Construction		
0100		Construction Contract	\$2,372,745	Single Prime Delivery Method
0101		Owner Construction Contingency	\$75,000	Owner Held Contingency
	2	Design		
0200		Professional Fees - Fixed	\$75,000	Architectural & Consulting Engineers
	3	Inspections and Consultation		
0301		Special Inspections	\$15,000	Agency Required Inspection
0303		Testing and Monitoring(Hazardous Materials)	\$15,000	Hazardous Material Testing and Monitoring
	4	Agency Fees		
0400		City of Monterey + MBARD	\$27,000	Agency Fees
	5	Soft Costs		
0502		Construction Management - PM/CM	\$125,000	Program Management
	99	Contingency		
9900		Contingency	\$65,000	Owner Held Contingency
Totals			\$2,769,745	

****DRAFT** BID RESULT SUMMARY**
DATE: September 12, 2025
BID TIME: 2:00 PM
BID OPENING: 535 E Romie Lane, Suite 6, Salinas, CA 93901

	Contractor	Contact	Email Address	Phone Number	Base Bid + Allowances	Comments
1	SSB	Joseph Darpli	jdarpli@ssbconstruction.com	831-737-0638	\$ 2,855,000	
2	Avila Construction**	Justin Gin	jgin@avilaconstruction.com	831-884-4080	\$ 2,372,745	
3	Marvulli Inc.	Joe Rose	joe@marvulli.com	209-233-1336	\$ 2,569,000	
4	Best Contracting	Javier Solis	estimating@bestcontracting.com	510-953-0790	\$ 3,192,900	
	** Apparent Low Bidder					
	SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received.					

	Documents Accompanying Bid	Contractor 1	Contractor 2**	Contractor 3	Contractor 4
A	Bid Letter	X	X	X	X
B	Addenda	X	X	X	X
C	List of Subcontractors	X	X	X	X
D	Disqualification Questionnaire	X	X	X	X
E	Insurance Requirements	X	X	X	X
F	Bid Bond	X	X	X	X
G	Non-Collusion Affidavit	X	X	X	X

SECTION 00 40 00

BID FORMS

PART 1 - GENERAL

1.01 INSTRUCTIONS TO BIDDERS

- A. Bid Forms shall be completed in accordance with the directions herein and the directions indicated in Section 00 10 00, "Notice Inviting Bids"; Section 00 20 00, "Instructions to Bidders"; and Section 00 41 00, "Schedule of Bid Prices," of the Contract Documents.

1.02 BID FORMS

- A. Due on or before the date of Bid Opening

Each of the following Bid Forms must be completed as part of each Bidder's bid and shall be submitted before the specified time and date of the Bid Opening as identified in Section 00 10 00, "Notice Inviting Bids", of the Contract Documents.

1. Bid Letter (including acknowledgement of receipt of Addenda)
2. List of Subcontractors
3. Disqualification Questionnaire
4. Acknowledgement of Insurance Requirements
5. Bidder's Guaranty: Bidder's Bond or Irrevocable Standby Letter of Credit
6. Non-Collusion Certification
7. Bidder's Request for Information

**BID LETTER
FOR SALINAS VALLEY HEALTH
SVH 5 LOWER RAGSDALE DRIVE ROOF REPLACEMENT**

Pursuant to the Notice Inviting Bids, the undersigned bidder herewith submits a bid on the Bid Forms attached hereto and made a part hereof, and binds itself on award by the Salinas Valley Memorial Healthcare System operating as Salinas Valley Health (hereinafter "SVH") under this bid to execute a Contract in accordance with its bid and the Contract Documents.

The Notice Inviting Bids, Instructions to Bidders, General Requirements, Supplementary Conditions, Technical Specifications, Appendices, Contract Drawings, and Addenda, if any, are made part of this bid and all provisions thereof are hereby accepted, and all representations and warranties required thereby are hereby affirmed.

This offer shall be irrevocable for a period of ninety (90) days after the date on which bids are opened.

The undersigned bidder understands that any clarification made to the above or any new and different conditions or information submitted on or with its Bid Forms, other than that requested, may render the bid non-responsive.

The undersigned, as bidder, declares that the only persons or parties interested in this bid as principals are those named herein; that this bid is made without collusion with any other person, firm or corporation and in submitting this bid, that it has carefully examined the location of the proposed work, the attached proposed form of contract, and the plans, specifications and the other Contract Documents; and agrees if this bid is accepted, that it will contract with SVH, on the form of contract included with these specifications, to provide all necessary labor, materials, equipment, machinery, apparatus and other means of construction, and to do all the work specified in the Contract Documents, in the manner and time therein prescribed, and according to the requirements of the Owner's Designated Representative as therein set forth, and that he will accept all full payment therefore based on the item prices set forth in its Schedule of Bid Prices.

The prices included within the Schedule of Bid Prices include all costs for labor, materials, tools, equipment, services, subcontractors, suppliers, taxes, insurance, shipment, delivery, overhead, profit and all other costs necessary to perform the work in accordance with the Contract Documents.

The undersigned bidder acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

ADDENDA NOS. (if none, so state): 1

Name of Bidder: Avila Brothers Inc dba Avila Construction Company

Business Address: 12 Thomas Owens Way, Ste 200, Monterey, CA 93940

Phone: 831-372-5580 Fax: 831-372-5584

Contractor's License No. 550380

License Expiration Date 12/31/2026

Classification Type
If SOLE OWNER, sign here:

ISSUED FOR BID
08-26-2025
CIP 01.1250.3940

BID LETTER
Section 00 40 00
Page 2

SALINAS VALLEY HEALTH
5 LOWER RAGSDALE DR ROOF REPLACEMENT
1774147.6

I sign as sole owner of the business named above:

If PARTNERSHIP, one or more partners sign here:

The undersigned certify that we are partners in the business named above and that we sign this bid with the full authority to do so:

If CORPORATION, execute here:

Corporate Name: Avila Brothers Inc dba Avila Construction Company

Incorporated under the laws of the State of CA

The undersigned certify that they sign this bid with the full and proper authorization so to do:


By 
*Signature of Authorized Official**

President

Title

Steven M. Avila

Typewritten or Printed Name

By 
*Signature of Authorized Official**

CFO

Title

Michael J. Avila

Typewritten or Printed Name

If JOINT VENTURE, execute here:

Joint Venture name composed of: _____

The undersigned certify that they sign this bid with the full and proper authorization so to do:

*Signature of Authorized Official**

*Signature of Authorized Official**

Title

Title

Typewritten or Printed Name

Typewritten or Printed Name

*If bidder is a partnership or Joint Venture, give the full names of all partners and/or Joint Ventures in the space provided (use additional sheet if required). If bidder is a corporation, two signatures are required as follows: (1) the Chairman, President, or Vice-President and (2) the Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. In the alternative, this Agreement may be executed by a single officer or a person other than an officer provided that evidence satisfactory to SVH is provided demonstrating that such individual is authorized to bind the corporation (example, a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws)

END OF BID LETTER

APPENDIX I
RESTATED ARTICLES OF INCORPORATION
OF
STEVE AVILA CONSTRUCTION, INC.

ARTICLE I

The name of this corporation is: Avila Brothers, Inc..

ARTICLE II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporation Code.

ARTICLE III

This corporation is authorized to issue one class of shares to be designated common stock. The total number of shares of common stock this corporation shall have authority to issue is 1,000,000, without par value.

ARTICLE IV

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law. Any repeal or modification of this Article IV, or the adoption of any provision of the articles of incorporation inconsistent with this Article IV, shall only be prospective and shall not adversely affect the rights under this Article IV in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability.

ARTICLE V

This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporation Code) through bylaw provisions, agreements with agents, vote of share holders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits on indemnification set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the corporation or its shareholders. Any repeal or modification of this Article V, or the adoption of any provision of the Articles of Incorporation inconsistent with this Article V shall only be prospective and shall not adversely affect the rights under this Article V in effect at the time of the alleged occurrence of any action or omission to act giving rise to indemnification.

ACTION BY UNANIMOUS WRITTEN CONSENT
OF THE DIRECTORS OF
STEVE AVILA CONSTRUCTION, INC.

The undersigned, constituting all of the members of the board of directors of (the "Board") of Steve Avila Construction, Inc., a California corporation (the "Corporation"), by their signature below, hereby adopt the following resolutions on behalf of the Corporation, pursuant to Section 307(b) of the California Corporations Code:

ISSUANCE OF SHARES

WHEREAS, the Board desires to compensate Michael Avila for services rendered by him to the Corporation;

NOW THEREFORE, BE IT RESOLVED, for services rendered by Michael Avila to the Corporation valued at \$1000, the Board hereby sells and issues to Michael Avila 1,000 shares of common stock of the Corporation.

RESOLVED FURTHER, the officers of this Corporation are, and each acting alone is, hereby authorized and directed to issue to Michael Avila one or more share certificates of this Corporation representing the above described shares.

RESOLVED FURTHER, that the officers of this Corporation shall cause the Corporation to withhold from the compensation payable to Michael Avila all taxes required to be withheld by Federal, state or local laws as a result of the above issuance and sale of shares to him.

RESOLVED FURTHER, that it is contemplated that above issuance and sale of the Corporation's common stock shall be exempt from registration under the Securities Act of 1933, as amended, pursuant to Sections 4(2) and 3(a)(11) thereof, and from qualification under the California Corporate Securities Laws of 1968, as amended, pursuant to Section 25102(f) thereof, and each officer of this Corporation is hereby authorized and directed to take all steps necessary or desirable to comply with the applicable legal requirements of the above named exemptions, including the filing of a Notice of Transaction Pursuant to Section 25102(f) with the California Department of Corporations.

RESTATEMENT OF ARTICLES OF INCORPORATION

WHEREAS, the Board desires to change the name of the Corporation to reflect the change in ownership of the Corporation;

NOW, THEREFORE, BE IT RESOLVED, that the Restated Articles of Incorporation, attached hereto as Appendix I, are hereby approved and adopted, and the President and Secretary of the Corporation are authorized to certify the same and to file the same with the California Secretary of State.

ELECTION OF OFFICERS

WHEREAS, the Board believes it to be in the best interest of the Corporation to elect officers at this time in lieu of the holding of an annual meeting of the Board during the 1998 calendar year;

WHEREAS, Ursula V. Avila has tendered her resignation as Secretary of the Corporation effective as of June 1, 1998;

NOW, THEREFORE, BE IT RESOLVED, that the following persons are elected to the office(s) indicated next to their names to serve until their successor(s) shall be duly elected or appointed, unless they resign, are removed from office or are otherwise disqualified from serving as an officer of this Corporation, and to take their respective office(s) effective as of June 1, 1998:

<u>Office</u>	<u>Name</u>
President and Chief Executive Officer	Steve M. Avila
Chief Financial Officer and Secretary	Michael Avila

ACCEPTANCE OF RESIGNATION

WHEREAS, Ursula V. Avila desires to resign from the Board effective as of June 1, 1998;


RESOLVED, the resignation of Ursula V. Avila as a member of the Board is hereby accepted effective as of June 1, 1998.

OMNIBUS RESOLUTIONS.

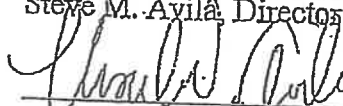
RESOLVED FURTHER, that the officers of this Corporation be, and each individually is, hereby authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as said officers shall deem necessary or advisable, to carry out the purposes of the foregoing resolutions.

This Action by Unanimous Written Consent shall be filed in the minute book of this Corporation and become a part of the records of this Corporation.

Dated: May 30, 1998



Steve M. Avila, Director



Ursula V. Avila, Director

LIST OF SUBCONTRACTORS

The Bidder is required to furnish the following information in accordance with the provisions of Sections 4100 to 4114, inclusive, of the Public Contract Code of the State of California. This list and information shall include all subcontractors that will perform work, provide labor or render services to the Bidder in connection with the project in an amount in excess of one-half of one percent of the total amount of Bidder's Grand Total Bid Price.

Do not list alternative subcontractors for the same work. Use additional sheets if necessary.

NAME OF SUBCONTRACTOR	LICENSE NUMBER AND DIR REG NO.	LOCATION OF/ PLACE OF BUSINESS	PORTION OF WORK
1. PARC Environmental	501913/ 1000002856	Fresno, CA	Abatement
2. American Foam Experts	969486/ 1000026412	Herald, CA	Roofing
3. Brady West	1098648/ 1000989702	Castroville, CA	Metal Stud Framing/Stucco
4.			
5. ME & F Rios Painting, Inc.	1091307/ 1000913068	Seaside, CA	Painting
6. Quality Plumbing	927690/ 1000022160	Salinas, CA	Plumbing
7. Della Mora	696294/ 1000006741	Marina, CA	Mechanical/Sheet Metal
8. Corvid	1027855/ 1000060174	Pacific Grove, CA	Electrical
9. Coastwide	523560/ 1000001357	Watsonville, CA	Selective Demo
10.			

END LIST OF SUBCONTRACTORS

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Monterey }

On September 8, 2025 before me, Natalie A. Rainaud, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared ***Steven M Avila*****
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Natalie A Rainaud
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Bid Bond-SVMHS 5 Lower Ragsdale DR Roof Replacement

Document Date: September 5, 2025 Number of Pages: 1

Signer(s) Other Than Named Above: Natalie K Trofimoff, Attorney-in-Fact

Capacity(ies) Claimed by Signer(s)

Signer's Name: Steven M Avila

☒ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: _____

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer is Representing: _____



September 5, 2025

Sydnee Thomas
AVILA CONSTRUCTION CO.
12 Thomas Owens Way #200
Monterey, CA 93940

RE: Obligee: Salinas Valley Memorial Healthcare System
Project: 5 Lower Ragsdale DR Roof Replacement
Estimated Contract: \$5,000,000.00
Bid Date: 9/12/2025
Surety: Nationwide Mutual Insurance Company

Dear Sydnee

Enclosed please find the above captioned bid bond, executed per your request.

The bid bond must be signed by an authorized representative of your company, notarized and sealed with the corporate seal. It is your responsibility to ensure the bid bond conforms with your needs and instructions to us, including but not limited to the correct coverages and parties, and with any laws applicable to your operations and/or the contract requiring the bid bond, and to advise us immediately, in writing, if the bid bond form so executed does not contain the proper information. Accordingly, it is incumbent upon you to carefully review the bond, and we will expect that you will, double-check all information, including signatures, dates, amounts and job descriptions for accuracy, and to verify that the bid bond form we executed is the form required by the specification. This will avoid the possibility of having a low bid rejected because of a clerical error. We will also expect you to verify that anything unusual that has been requested by the obligee is attached.

If, following your review of the bond, you do not advise us in writing of any problem of deficiency in its terms and information but submit the bond as is, your submission will constitute your verification, and we will justifiably assume the bond form as issued is correct and appropriate for the purpose for which it is being submitted. You further understand that we will have no liability for any deficiencies or discrepancies not brought to our attention in accordance with this letter.

The bid bond authorization is based upon your original estimate. **If the actual bid price exceeds this estimate by 10% or more, you must contact us for additional authority!**

Please call our office if you should have any questions or need any further assistance.

Good Luck on your Bid.

Sincerely,

Natalie K. Trofimoff
Account Manager

Your bid results are very important, please mail or fax this information back to the address below within 5 days of the bid opening.

Contractors Name	Contract Price
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____

Where did you place _____ and your price \$ _____

If awarded contract, is final bond required? Yes [] No []

BIDDER'S BOND

KNOW ALL PERSONS BY THESE PRESENTS:

Avila Brothers, Inc. dba Avila Construction Company, as Principal, and Nationwide Mutual Insurance Company, as Surety, are held and firmly bound unto the Salinas Valley Memorial Healthcare System operating as Salinas Valley Health (hereinafter "SVH"), in the sum of (\$)Ten Percent being at least ten percent (10%) of the total amount of the bid, for the payment of which sum in lawful money of the United States of America to SVH we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that, whereas the Principal has submitted said bid to SVH;

NOW, THEREFORE, if the principal is awarded a Contract by SVH and, within the time and in the manner required by the Specifications, enters into a written Contract with SVH and furnishes the requisite bond or bonds and insurance certificates, then this obligation shall become null and void, otherwise to remain in full force and effect.

In the event suit is brought upon this bond by SVH and judgment is recovered, the Surety shall pay all costs incurred by SVH in such suit, including a reasonable attorneys fee to be fixed by the Court.

Dated September 5, 2025.

TO BE CONSIDERED COMPLETE, BOTH THE PRINCIPAL AND SURETY MUST SIGN THIS BIDDER'S BOND. IN ADDITION, THE SURETY'S SIGNATURE MUST BE NOTARIZED AND A COPY OF THE SURETY'S POWER OF ATTORNEY MUST BE ATTACHED.

Avila Brothers, Inc. dba Avila Construction Company

By: [Signature] Principal

Nationwide Mutual Insurance Company
Surety

By: [Signature]

Natalie K. Trofimoff, Attorney-in-Fact
One West Nationwide Blvd., 1-14-301, Columbus, OH 43215
Address of Surety

END OF BIDDERS BOND

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

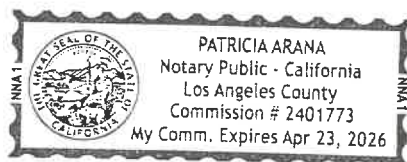
State of California)
) ss
County of Los Angeles)

On SEP 05 2025, before me, Patricia Arana, Notary Public, personally appeared Natalie K. Trofimoff, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Seal)



Signature: _____

Patricia Arana
Patricia Arana, Notary Public

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint:

CHARLENE K NAKAMURA; EDGAR S ALBRECHT; LISA L THORNTON; TIMOTHY M TOMKO
MARIA PENA; NATALIE K TROFIMOFF; NOEMI QUIROZ; PATRICIA S ARANA;

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf any and all bonds and undertakings, and other obligatory instruments of similar nature, in penalties not exceeding the sum of

UNLIMITED

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 1st day of April, 2024.



Antonio C. Albanese, Vice President of Nationwide Mutual Insurance Company


ACKNOWLEDGMENT

STATE OF NEW YORK COUNTY OF KINGS: ss

On this 1st day of April, 2024, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Sharon Laburda
Notary Public, State of New York
No. 01LA6427697
Qualified in Kings County
Commission Expires January 3, 2026



Notary Public
My Commission Expires
January 3, 2026

CERTIFICATE

I, Lezlie F. Chimienti, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this ____ day of

SEP 05 2025



Assistant Secretary

SALINAS VALLEY HEALTH
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
Monterey, California

ADDENDUM A
TO THE
BID DOCUMENTS FOR SVH 5 LOWER RAGSDALE DR ROOF REPLACEMENT PROJECT

ISSUED: SEPTEMBER 9, 2025

This Addendum A must be signed by the bidder and included in the bid documents submitted for this Project. Salinas Valley Health reserves the right to disregard any bid, which does not include this Addendum A. Salinas Valley Health may waive this requirement at its sole discretion.

SEE ATTACHED ADDENDUM ITEM

Prepared By:

Brianna Jesse
SVH Designated Representative

BIDDER'S CERTIFICATION

I acknowledge receipt of this Addendum A and accept all conditions contained herein.

Bidder's Signature

Avila Brothers Inc DBA
Avila Construction Company

Name of Company

9/9/25

Date

Please return this signed page to Brianna Jesse at SVH as soon as possible and include with Bid Forms to confirm receipt of this addendum. Please email as a PDF to bjesse@bogardconstruction.com.

SECTION 00 41 00

SCHEDULE OF BID PRICES

1.01 GENERAL INSTRUCTIONS

- A. Bidders are directed to submit a lump sum price for all Work set forth in the Contract Documents in the space for the "Base Bid" amount in the Schedule of Bid Prices. This lump sum shall include all costs for labor, materials, tools, equipment, services, subcontractors, suppliers, taxes, insurance, shipment, delivery, overhead, profit and all other costs necessary to perform the Work in accordance with the Contract Documents.
- B. Unit prices and lump sum prices must be entered in the appropriate spaces provided in the Schedule. Unit prices shall be multiplied by the Quantities shown, and the total shall be inserted in the AMOUNT column. In the event of any error or discrepancy between the Unit Price and the calculated AMOUNT, the Unit Price shall govern. Owner may correct any mathematical errors apparent on the face of the bid.

**SALINAS VALLEY HEALTH
SVH 5 LOWER RAGSDALE DRIVE ROOFING REPLACEMENT
SCHEDULE OF BID PRICES**

BASE BID:

Contractor shall provide all materials, labor, tools, equipment and superintendence necessary to complete this project for the following amount. Contractor shall provide Contractor's profit and overhead for all allowance items identified below in the Base Bid item "A". If costs incurred exceed allowance item, Contractor shall be allowed to markup the difference between the allowance and actual by a maximum of 5%. If the actual cost is less than the allowance item, Contractor shall credit the Owner the difference, including profit and overhead added to item "A".

"A" \$ 2,186,225.00

ALLOWANCE ITEM B:

Contractor shall include an allowance of \$50,000 in their bid to provide all labor, equipment, transportation and superintendence necessary to replace damaged insulation inside the building where evident that plywood substrate has been permeated by water and repair areas where the insulation installation is failing. Contractor shall submit complete documentation of costs incurred for this work during the project and any remaining balance will be adjusted by deductive change order credited back to the Owner. All profit and overhead for this allowance item shall be provided for in item "A".

"B" \$ 50,000.00

ALLOWANCE ITEM C:

Contractor shall include an allowance of \$40,000 in their bid to provide all labor, equipment, transportation and superintendence necessary to repair or replace damaged existing rooftop mounted electrical conduits. Contractor shall submit complete documentation of costs incurred for this work during the project and any remaining balance will be adjusted by deductive change order credited back to the Owner. All profit and overhead for this allowance item shall be provided for in item "A".

"C" \$ 40,000.00

ALLOWANCE ITEM D:

Contractor shall include an allowance of \$15,000 to provide all labor, equipment, transportation and superintendence, including deferred submittals and fire watch, necessary to replace in kind the fire protection piping serving the building entrance canopy. Contractor shall submit complete documentation of costs incurred for this work during the project and any remaining balance will be adjusted by deductive change order credited back to the Owner. All profit and overhead for this allowance item shall be provided for in item "A".

"D" \$ 15,000.00

ALLOWANCE ITEM E:

Contractor shall include an allowance of \$55,000 to provide all labor, equipment, transportation and superintendence, necessary to install ten (10) fall protection devices. Basis of the design is the Weightanka wtab0010 or equal. The system does not require any anchorage to the roofing system. The design engineer will provide locations in the field. Contractor shall submit complete documentation of costs incurred for this work during the project and any remaining balance will be adjusted by deductive change order credited back to the Owner. All profit and overhead for this allowance item shall be provided for in item "A".

"E" \$ 55,000.00

ALLOWANCE ITEM F:

Contractor shall include an allowance of \$15,000 in their bid to provide all labor, equipment, transportation and superintendence necessary to replace existing wood deck as needed. Contractor shall submit complete documentation of costs incurred for this work during the project and any remaining balance will be adjusted by deductive change order credited back to the Owner. All profit and overhead for this allowance item shall be provided for in item "A".

"F" \$ 15,000.00

COMPENSABLE DELAY AMOUNT:

Contractor shall provide all materials, labor, tools, equipment and superintendence necessary to complete any additional work required as a result of non-Contractor caused delays for the following amount:

\$ 1,152.00 per day x 10 days delay (est.) =

"G" \$ 11,520.00

GRAND TOTAL BID PRICE:

Base bid plus total (A + B + C + D + E + F + G)

\$ 2,372,745.00

END OF SECTION 00 41 00

**NONCOLLUSION AFFIDAVIT TO BE EXECUTED
BY BIDDER AND SUBMITTED WITH BID**


The undersigned declares:

I am the CFO of Avila Brothers Inc dba Avila Construction Company, the party making the foregoing bid .

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 9-12-2025 [date], at Monterey [city], CA [state]."



Signature of Bidder

CFO

Title

9/12/2025

Date

END OF NON-COLLUSION AFFIDAVIT

ACKNOWLEDGEMENT OF INSURANCE REQUIREMENTS

Included in the Bid Price is full compensation for the requirements set forth in Section 00 86 00, INSURANCE REQUIREMENTS of the Contract Documents, including:

- a) Workers' Compensation (per statutory requirement).

Policy shall include a waiver of subrogation.

- b) Employer's Liability coverage.

Two Million Dollars (\$2,000,000) per accident; and

Two Million Dollars (\$2,000,000) each employee by disease.

- c) Commercial General Liability coverage (including but not limited to premises and operations; contractual liability; personal and advertising injury; explosion, collapse, and underground coverage; products and completed operations, and; broad form property damage) of not less than:

Two Million Dollars (\$2,000,000) combined single limit per occurrence or claim; and

Two Million Dollars (\$2,000,000) general aggregate.

Policy shall include a Waiver of Subrogation and Additional Insured endorsement. Policy will also contain either a Cross Liability endorsement or Severability of Interests Clause.

- d) Business Automobile Liability Insurance coverage of not less than:

Two Million Dollars (\$2,000,000) combined single limit occurrence.

Policy shall include a Waiver of Subrogation and Additional Insured endorsement.


Signature of Bidder/Title

9-12-25
Date

END OF ACKNOWLEDGEMENT OF INSURANCE REQUIREMENTS



Public Works Support

eCPR Search

Contractor Registration Search

Log
in

Project Registration Search

Register

[Home](#) > [Customer Account Lookup](#) > 1000000982 - AVILA BROS., INC. DBA AVILA CONSTRUCTION

1000000982 - AVILA BROS., INC. DBA AVILA CONSTRUCTION

Customer Account Lookup

PWCR

1000000982

Contractor Status

DIR Approved

CSLB

550380

Business Phone

(831) 372-5580

Ext

Registration Start Date

2025-07-01

Legal Entity Name

AVILA BROS., INC. DBA AVILA CONSTRUCTION

Doing Business As (DBA)

Avila Construction Company

Business Structure

-- None --

President

Steven M. Avila

Email

keith@avilaconst.com

Registration End Date

2028-06-30

Crafts

Carpenter

Laborer and Related Classifications

Cement Mason

Address

Mailing Address

12 THOMAS OWENS WAYSuite 200

Mailing Address - City

MONTEREY

Mailing Address - State

CA

Mailing Address - Zip

93940

Mailing Address - Country

USA

Physical Address

12 THOMAS OWENS WAY, STE. 200

Physical Address - City

MONTEREY

Physical Address - State

CA

Physical Address - Zip

93940

Physical Address - Country

Related Lists

Registration Dates (8)

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DISQUALIFICATION QUESTIONNAIRE

The Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the Bidder, any officer of the Bidder, or any employee of the Bidder who has proprietary interest in the Bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes _____ No X _____

If the answer is yes, explain the circumstances in the following space.


NAME OF BIDDER: Avila Brothers Inc dba Avila Construction Company

NOTE: This questionnaire constitutes a part of the Bid, and signature on the portion of this Bid shall constitute signature on this questionnaire.

END OF DISQUALIFICATION QUESTIONNAIRE

Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Lease Amendment to Extend the Lease Agreement for 1756 North Main Street, Salinas for One Year**

Executive Sponsors: Gary Ray, Chief Legal Officer

Date: September 16, 2025

Executive Summary

Salinas Valley Health is the tenant under the Harden Ranch Plaza Shopping Center Lease, dated August 3, 2012, and associated sublease and amendments, for certain retail space described as **1756 North Main Street, Salinas, California**, containing approximately 3,200 gross leasable square feet ("**Harden Clinic**"). The Harden Clinic is presently utilized by Doctors on Duty for an urgent care clinic. Because of DOD provider staffing challenges and scheduling issues, SVH Clinics is considering a strategic move to expand primary care services in the North Salinas community through this location. The current lease is now on a month-to-month holdover and this extension allows time for SVH to consider its options while maintaining the operation of the DOD clinic.

Timeline

September 22, 2025 – Request SVH Finance Committee Recommendation for Board Approval
 September 25, 2025 – SVH Board of Directors Meeting/Consider Recommendation for Approval
 October 1, 2025 – Effective Date for Amendment Extending the Lease Agreement

Meeting our Mission, Vision, Goals—Strategic Plan Alignment

This transaction is aligned with strategic initiatives to expand SVH Clinics primary care services and to improve provider access in the North Salinas area.

Pillar/Goal Alignment: ☒ Service ☐ People ☐ Quality ☒ Finance ☒ Growth ☒ Community

Financial/Quality/Safety/Regulatory Implications

The Amendment to extend Lease Agreement is for one (1) year for the Harden Clinic located at 1756 North Main Street, Salinas, California:

1. Lease Extension Dates	August 3, 2025 through August 2, 2026
2. Term of Lease	One (1) year
3. Option	Possible option for longer term lease based on SVHC strategic plan.
4. Payment Terms	Triple Net Lease
5. Rentable square feet	Approximately 3200 rentable square feet
6. Current Monthly Rent	\$12,678.71
7. Extension Monthly Rent	Current rent plus CPI adjustment (2% floor/4% ceiling)

Recommendation

Administration requests that the Finance Committee make a recommendation to the Board of Directors to approve the Lease Amendment to Extend the Lease Agreement for 1756 North Main Street, Salinas for One Year

FOURTH AMENDMENT TO LEASE

(1756 North Main Street, Salinas, CA)

THIS FOURTH AMENDMENT TO LEASE, (“Fourth Lease Amendment”) is made and entered into as of **October 1, 2025** by and between **SALINAS SHOPPING CENTER ASSOCIATES LIMITED PARTNERSHIP**, a California limited partnership, and **HARDEN RANCH PLAZA ASSOCIATES, LLC**, a Delaware limited liability company (collectively, “**Landlord**”), and **SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**, a California Local Health Care District operating as Salinas Valley Health (“**Tenant**”).

1. Pursuant to that certain Harden Ranch Plaza Shopping Center Lease, dated August 3, 2012, and that First Amendment to Lease dated February 2, 2015, and that Second Amendment to Lease dated October 1, 2015, and that Sublease Agreement dated July 1, 2019, and that Third Amendment to Lease dated October 29, 2019 (altogether, the “Lease”) Landlord leased to Tenant that certain retail space described as 1756 North Main Street, in Salinas, CA, containing approximately 3,200 gross leasable square feet (“Premises”).
2. the parties desire to amend the Lease to extend the Term of the Lease as hereinafter set forth.

For and in consideration of the Premises, and of the mutual covenants hereof, Landlord and Tenant stipulate, covenant and agree as follows:

1. **Capitalized Terms.** Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Lease.
2. **Lease Term Extension and New Expiration Date:** The Lease Term Expiration Date shall be extended for **one (1) year from August 3, 2025 to August 2, 2026**.
3. **Fixed Minimum Rent:** Fixed Minimum Rent for the Extended Term of the Lease shall be as follows:

<u>Lease Term</u>	<u>Annual</u>	<u>Monthly</u>
Current - August 2, 2025	\$152,144.52	\$12,678.71
August 3, 2025 – August 2, 2026**	**	**

** Fixed Minimum Rent shall be increased on August 3, 2025 of the extended Lease Term by the CPI Index with a minimum of two percent (2%) and a maximum of four percent (4%) over the prior year’s Fixed Minimum Rent.

4. **Estoppel.** Tenant acknowledges and agrees that Landlord has performed all obligations to be performed by it under the Lease to the date hereof and that no event has occurred or is occurring which, with the passage of time or the giving of notice, or both, would constitute a default under the Lease.
5. **Integration.** The Lease, as amended hereby, constitutes the complete and entire agreement between the parties and supersedes all prior contemporaneous oral or written understandings or agreement.
6. **Ratification.** As amended hereby, the terms and conditions of the Lease are ratified and confirmed in all respects.

<Signatures on the following page.>

LANDLORD:

SALINAS SHOPPING CENTER ASSOCIATES LIMITED PARTNERSHIP,
a California limited partnership

By: SSCA, LLC, a Delaware limited liability company
Its: General Partner

By: _____ Date: _____
Michael Fogelman, Authorized Signer

HARDEN RANCH PLAZA ASSOCIATES, LLC
a Delaware limited liability company

By: JFG Realty Services, LLC
a California limited liability company
Its: Manager

By: _____ Date: _____
J. Fred Goldsmith, Managing Member

SUBLESSOR #1:

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM,
a California Local Health Care District operating as Salinas Valley Health

By: _____ Date: _____
Allen Radner, MD, President/CEO

SUBLESSOR #2:

CENTRAL COAST MSO, LLC, a California limited liability company
CYPRESS HEALTHCARE PARTNERS, LLC
Its: Member

By: _____ Date: _____

Name: _____

Title: _____

SUBLESSEE:

DOCTORS ON DUTY MEDICAL GROUP, INC., a California professional corporation

By: _____ Date: _____

Name: _____

Title: _____

Board Paper—Finance Committee

Agenda Item: **Consider recommendation to the SVH Board of Directors to approve (i) the purchase of additional units of Voting Membership Interest in Monterey Peninsula Surgery Center for the amount of \$661,000.00, and (ii) the execution of the MPSC Subscription Agreement by the SVH President/CEO, as approved by District Legal Counsel**

Executive Sponsor: Allen Radner, MD, President/CEO
 Gary Ray, Chief Legal Officer

Date: September 16, 2025

Executive Summary

A key strategic objective for Salinas Valley Health is to develop and expand partnerships that drive value for our patients. Recognizing the importance of providing a low cost, high quality option for surgical services needed by our residents, Salinas Valley Health has been offered an opportunity to increase its investment in our partnership with Monterey Peninsula Surgery Center (MPSC), which operates surgery centers in Salinas, Monterey, and Santa Cruz.

MPSC has notified SVH that there are additional shares available for purchase, and MPSC's board has approved the sale of an additional member interest to SVH. The proposed transaction is the acquisition of an additional voting membership interest at a purchase price of **Six Hundred Sixty-One Thousand Dollars (\$661,000.00)**. This additional investment will increase SVH's total ownership interest in MPSC to approximately 14.25 percent.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment

The increase in our investment in MPSC is aligned with the further develop of population health management capabilities and the development of a sustainable cost structure. Population health management requires expansion of services beyond the walls of SVH. As a high quality, lower cost option for some surgical services, MPSC represents a significant value to our patients. Additionally, MPSC is a well-managed business that has generated a historically stable return on investment for SVH.

Pillar/Goal Alignment: ☐ Service ☐ People ☐ Quality ☒ **Finance** ☒ **Growth** ☒ **Community**

Financial/Quality/Safety/Regulatory Implications

This investment represents an expansion of our current ownership interest in MPSC at fair market value as determined by the most recent independent appraisal of MPSC and as such, there is no quality, safety or regulatory implications related to this transaction. MPSC Subscription Agreement attached.

1. MPSC Valuation of Additional Interest	Six Hundred Sixty-One Thousand Dollars (\$661,000.00)
2. Additional MPSC Interest Offered	Additional units of voting membership interest
3. Additional SVH Investment Amount	Six Hundred Sixty-One Thousand Dollars (\$661,000.00)
4. Documentation	Subscription Agreement for Purchase of Voting Membership Interests

Recommendation

Administration requests that the Finance Committee recommends to the SVH Board of Directors to approve (i) the purchase of additional units of Voting Membership Interests in Monterey Peninsula Surgery Center for the amount of \$661,000.00, and (ii) the execution of the MPSC Subscription Agreement by the SVH President/CEO, as approved by District Legal Counsel



Financial Performance Review

August 2025

Finance Committee

Scott Cleveland
Controller

Consolidated Financial Summary August 2025

Month				\$ in Millions	YTD			
		Variance fav (unfav)					Variance fav (unfav)	
Actual	Budget	\$	%		Actual	Budget	\$	%
\$ 69.3	\$ 70.0	\$ (0.7)	-1.0%	Operating Revenue	\$ 145.5	\$ 139.8	\$ 5.7	4.1%
68.2	68.3	0.1	0.1%	Operating Expense	139.4	136.5	(2.9)	-2.1%
1.1	1.7	(0.6)	-35.3%	Income from Operations	6.1	3.3	2.8	84.8%
1.5%	2.4%	-0.9%	-37.50%	Operating Margin %	4.2%	2.4%	1.8%	75.0%
5.2	2.5	2.7	108.0%	Non Operating Income	6.2	5.0	1.2	24.0%
6.3	4.2	2.1	50.0%	Net Income	12.3	8.3	4.0	48.2%
9.0%	5.9%	3.1%	52.5%	Net Income Margin %	8.5%	5.9%	2.6%	44.1%

No Normalizing Items

Key Financial Indicators

Indicator Metric		YTD 8/31/25	Budget	S&P A+ Rated	YTD 8/31/24
Operating Margin*		4.2%	0.4%	4.0%	1.8%
Total Margin*		8.5%	4.0%	6.6%	10.8%
EBITDA Margin**		8.1%	5.4%	13.6%	6.3%
Days of Cash*		362	317	249	368
Days of Accounts Payable*		37	45	-	52
Days of Net Accounts Receivable***		68	60	49	66
Supply Expense as % NPR		14.9%	14.6%	-	14.7%
SWB Expense as % NPR		52.9%	54.1%	53.7%	54.0%
Operating Expense per APD*		7,473	7,205	-	6,702

All metrics above are consolidated for SVH except Operating Expense per APD

*These metrics have **not** been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 365 days average net revenue (consistent with industry standard)

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Financial Summary – August 2025

Aug Act	Aug Bud	Variance	Key Statistics	YTD Aug	YTD Aug Bud	Variance
108	114	↓ -5%	ADC	104	114	↓ -9%
151	146	↑ 3%	IP Surgeries	319	292	↑ 9%
350	293	↑ 19%	OP Surgeries	667	586	↑ 14%
943	931	↑ 1%	Admissions	1,862	1,862	↑ 0%
1,370	1,158	↑ 18%	OP Infusion Cases	2,717	2,316	↑ 17%
105	130	↓ -19%	Deliveries	208	260	↓ -20%
4,671	4,653	↑ 0%	ER OP Visits	8,974	9,306	↓ -4%
263	333	↓ -21%	Cath Lab	655	666	↓ -2%
205	152	↓ 35%	Observation Cases	416	304	↓ 37%
736	719	↑ 2%	ER IP Admissions	1,437	1,438	↓ 0%
297	405	↓ -27%	MRI Procedures	603	810	↓ -26%
2,102	2,168	↓ -3%	CT Scans	4,231	4,336	↓ -2%
2.1	2.3	↑ -9%	Medicare Traditional ALOS CMI Adjusted	2.1	2.3	↑ -9%
1.79	1.75	↑ 2%	Medicare Traditional Case Mix	1.80	1.75	↑ 3%

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Executive Summary: August Financial Performance

Salinas Valley Health's Income from Operations was \$1.1 million for the month which was unfavorable to budget by \$0.6M due to soft inpatient revenue and unfavorable payor mix

Volume and Acuity:

- **Total Admissions** were over budget by 1% (12 cases)
- **Inpatient Surgeries** were over budget by 3% (5 cases)
- **Deliveries** were under budget by 20% (25 cases)
- **Cath Lab** – cases were under budget by 21% (70 cases)
- **All Payor Case Mix** of 1.58 was 1% over budget
- **Strong Outpatient Revenues** - favorable to budget by \$5M (3%), Key services driving this variance were:
 - **OP Infusion Program** - cases were over budget by 18% (212 cases)
 - **OP Surgeries** – cases were over budget by 20% (57 cases)
 - **Observation cases** were over budget by 34% (53 cases)
- **MRI Procedures** were under budget by 27% (108 cases)

5

Executive Summary: August Financial Performance – Continued

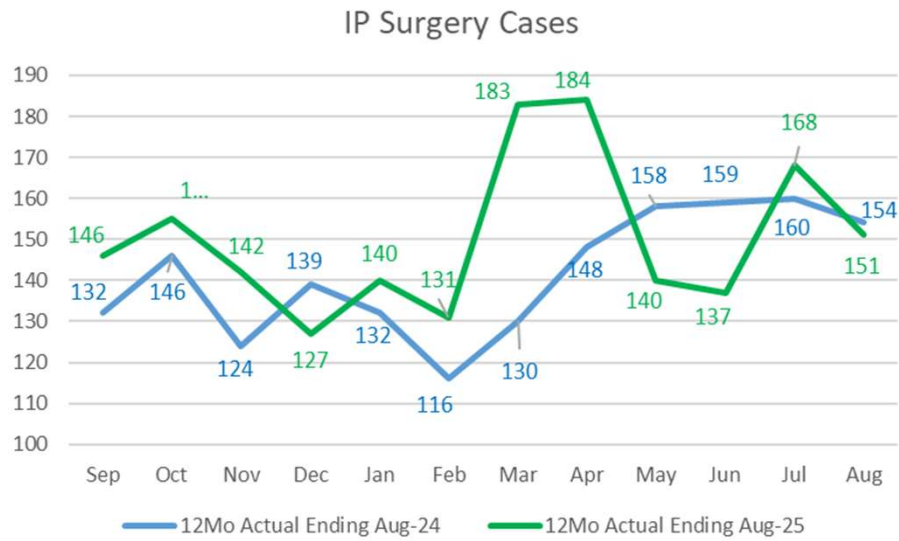
Cost and Utilization:

- **Paid FTEs per Adjusted ADC** were 5% unfavorable to budget at 8.1 actual vs. 7.7 budget
- **Average Length of Stay** was 7% favorable to budget at 3.6 days
- **Medicare Case Mix Adjusted Average Length of Stay** was favorable by 8% at 2.1 days
- **Payor Mix** was unfavorable with higher than expected Medi-Cal revenue, up 4%. Medicare was down 1%; While Commercial was under budget by 3%
- **Cash collections** at \$49.4 million were unfavorable by 8%
- **Days in AR at 68** is still trending over target due to slow paying insurance providers and lower cash collections this month
- **Days Cash on Hand** at 362 was down 2% from July due to a pay-down of Accounts Payable (part of the Workday implementation), lower cash collections and capital

Non-Operating Income was up \$2.7 Million to budget driven by unrealized investment gains

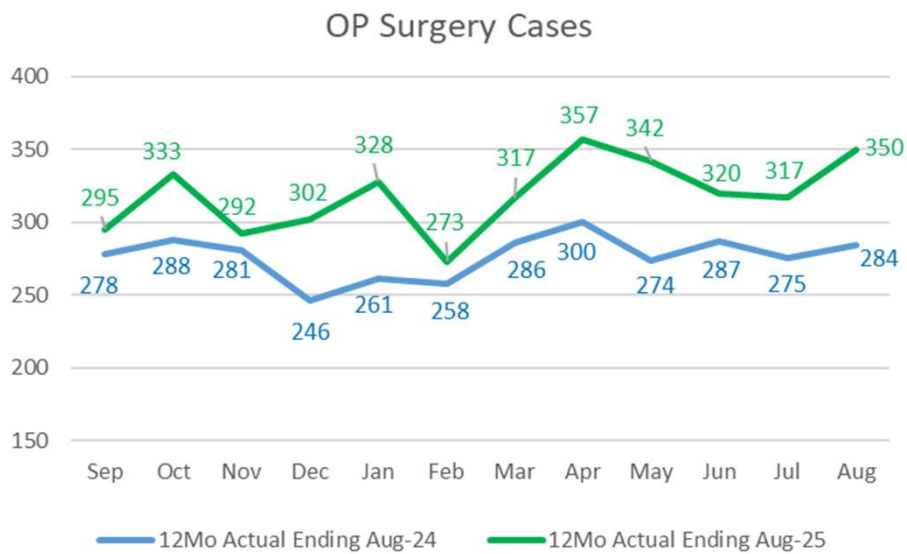
6

Volume Trends - IP Surgery Cases



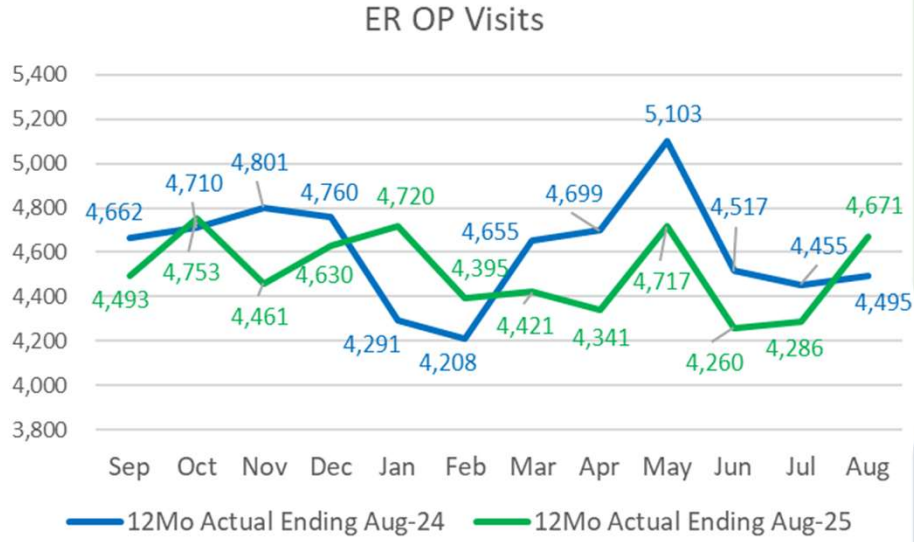
7

Volume Trends - OP Surgery Cases



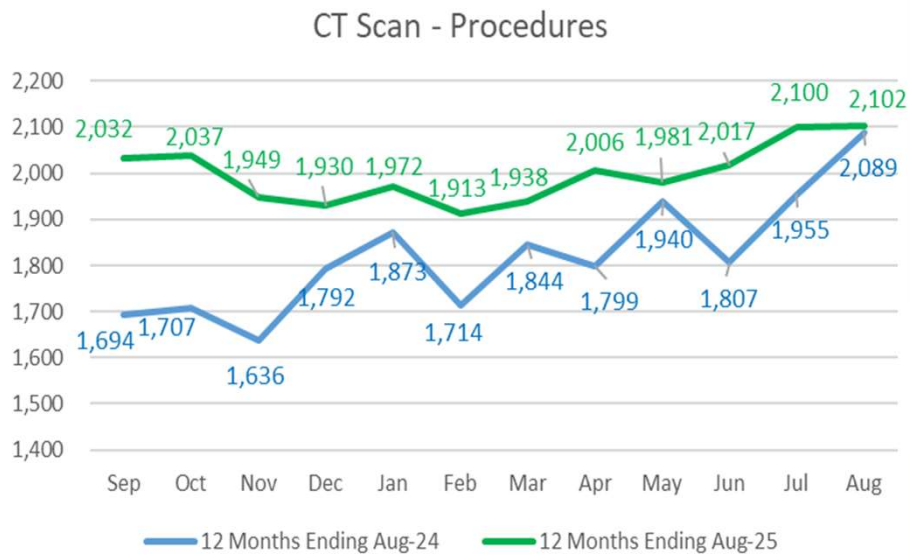
8

Volume Trends - ER OP Visits



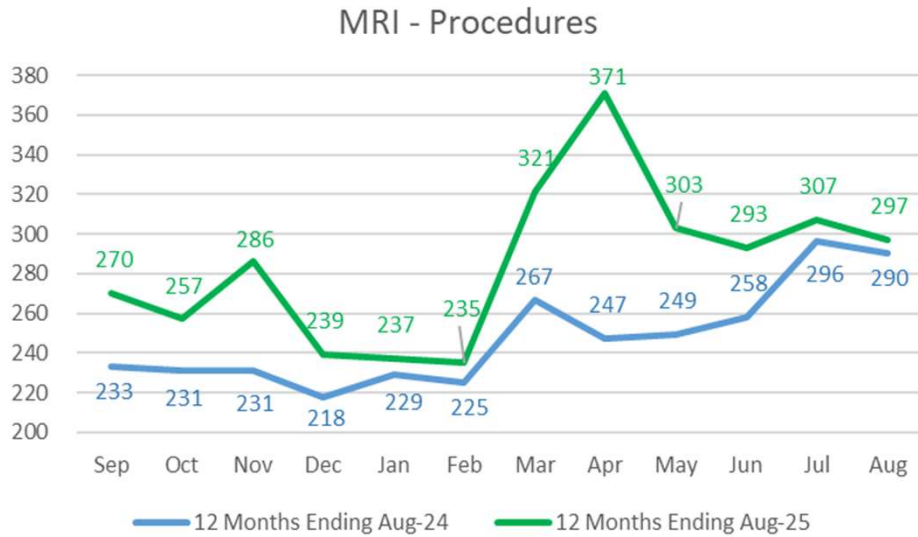
9

Volume Trends - CT Scans



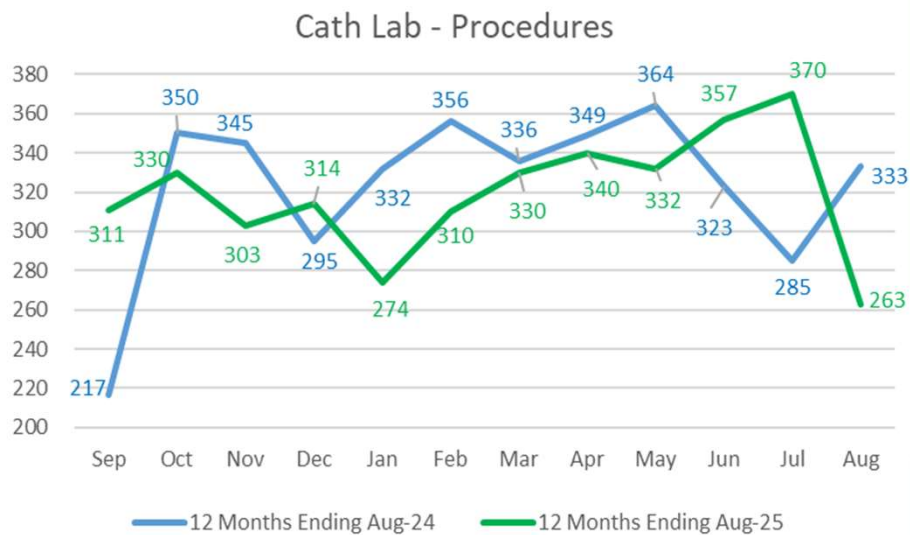
10

Volume Trends – MRI



11

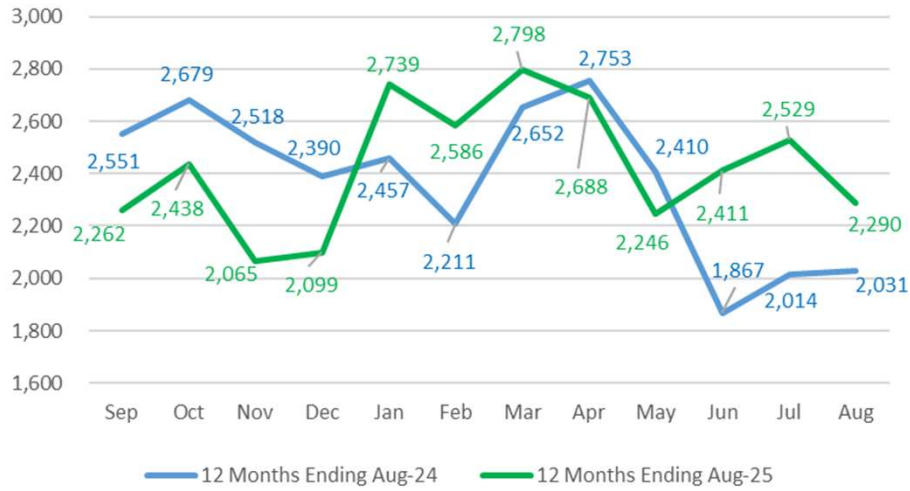
Volume Trends - Cath Lab



12

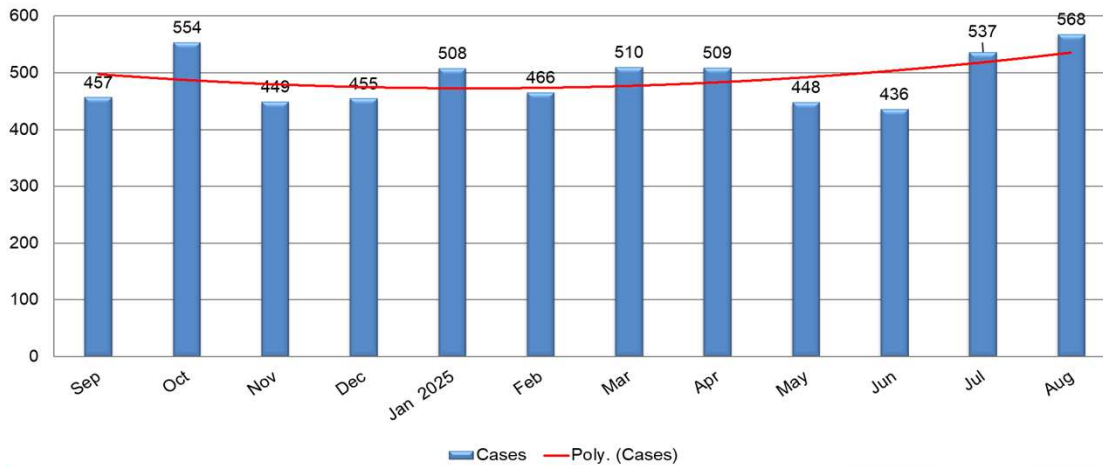
Volume Trends - Mammography

Mammography - Procedures

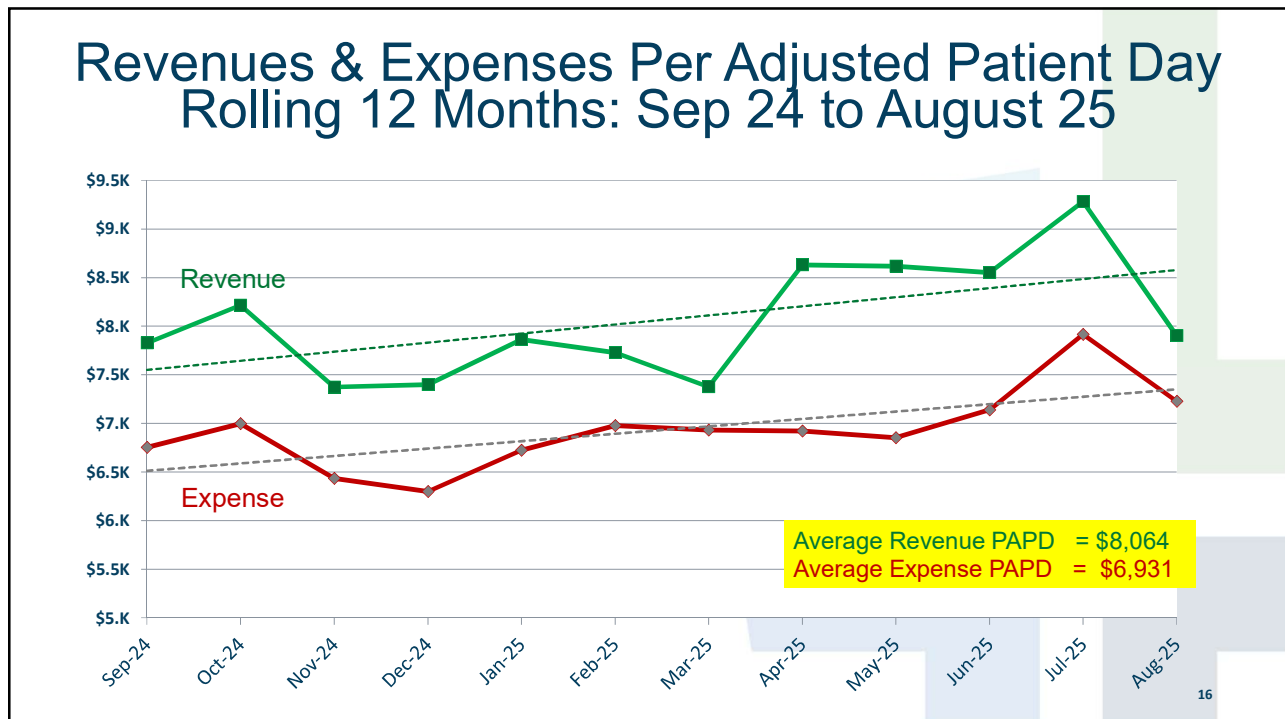
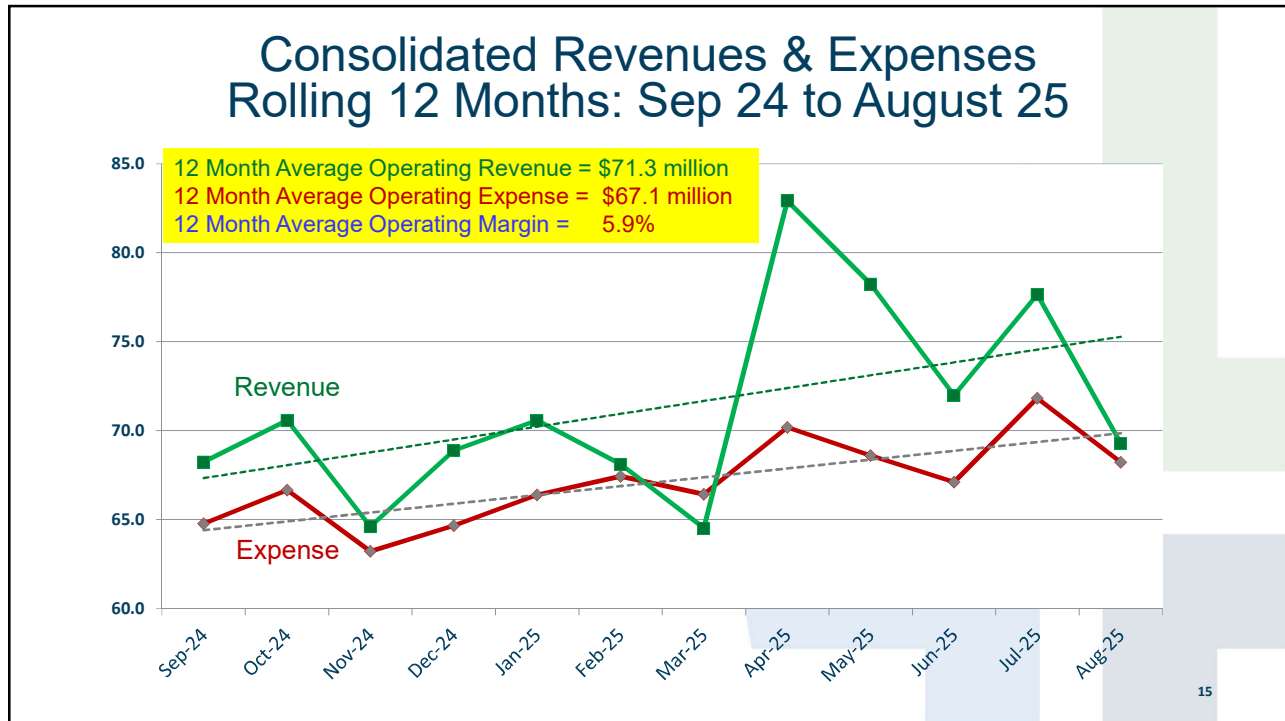


13

Volume Trends - CDOC Cases



14

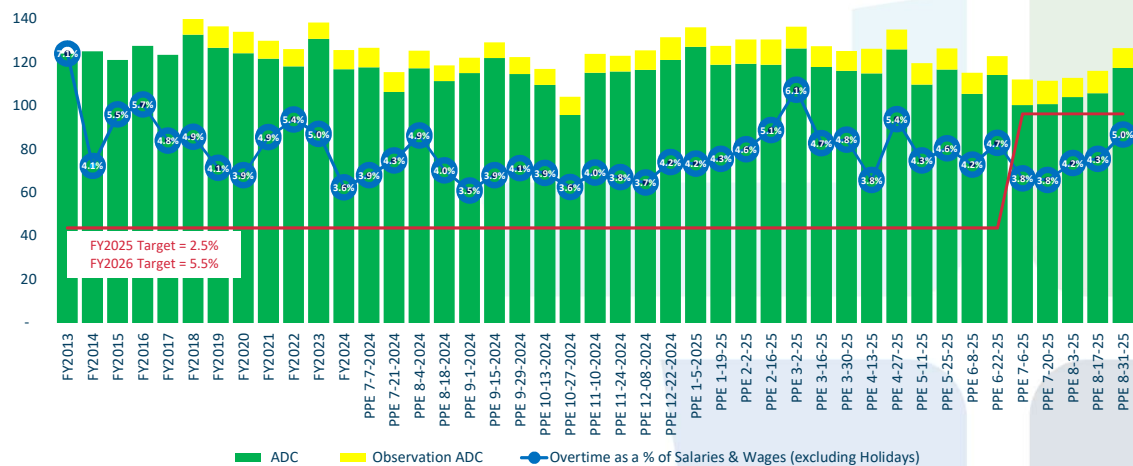


Labor Productivity – August 2025

- **Average Daily Census:** ADC was **108** – an increase of 7 when compared to the prior month (or 5% below budget).
- **Worked FTEs:** During the month of August, worked FTEs on a per Adjusted ADC basis were **9%** unfavorable at **7.0** - compared to a target of **6.5**.
 - Worked FTEs increased from 1,610 in July to 1,691 in August.
 - When reviewed on a unit-by-unit level, the variance was **9.4 FTEs** (or **\$139K**).
 - The lab was favorable 10.9 worked FTE in the month. If this department was removed from the total, the variance was **1.4 FTEs** unfavorable (**\$21K**).
- **Paid FTEs:** On a per Adjusted ADC basis, paid FTEs were **5%** unfavorable to budget at **8.1** – compared to the target of **7.7**. Paid FTEs increased from 1,898 in July to 1,941 in August.

17

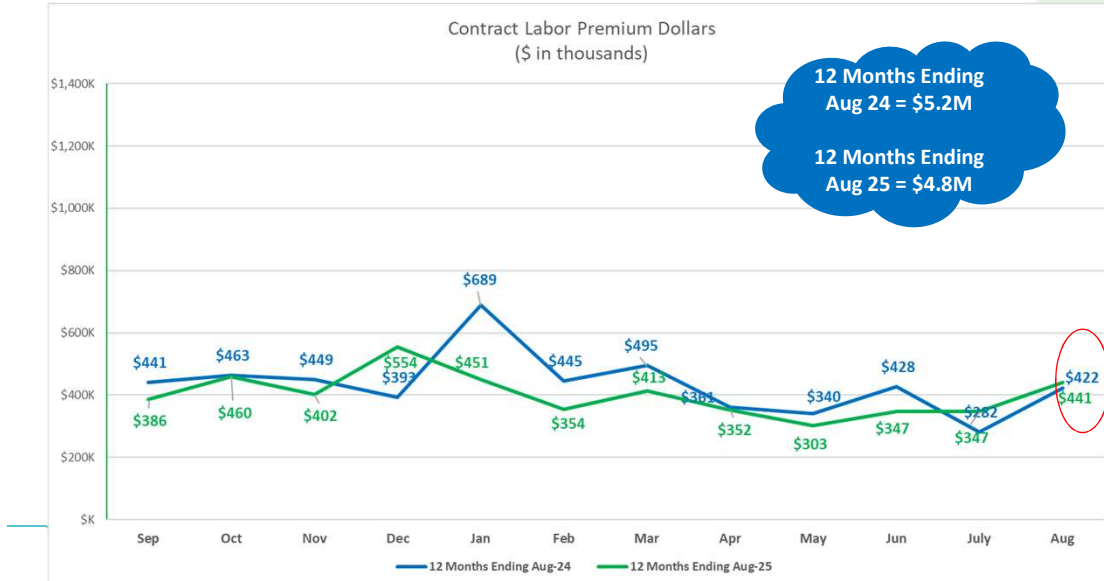
Overtime as a Percent of Total Salaries & Wages (excluding Holidays) Through the pay period ending August 31, 2025



** Observation days are not available prior to FY2018 due to a server migration.

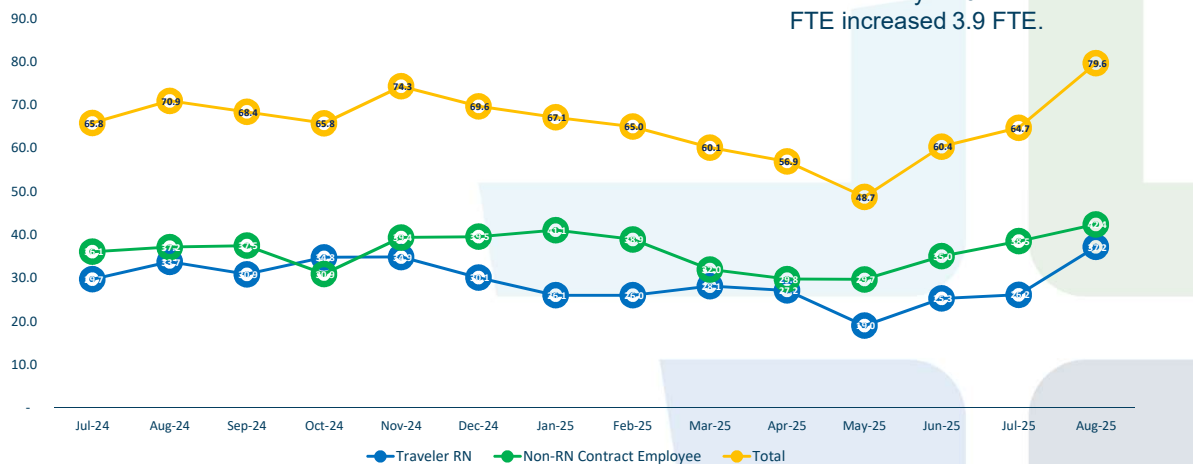
18

Contract Labor Premium Cost – 12 months ended 8/31/2025



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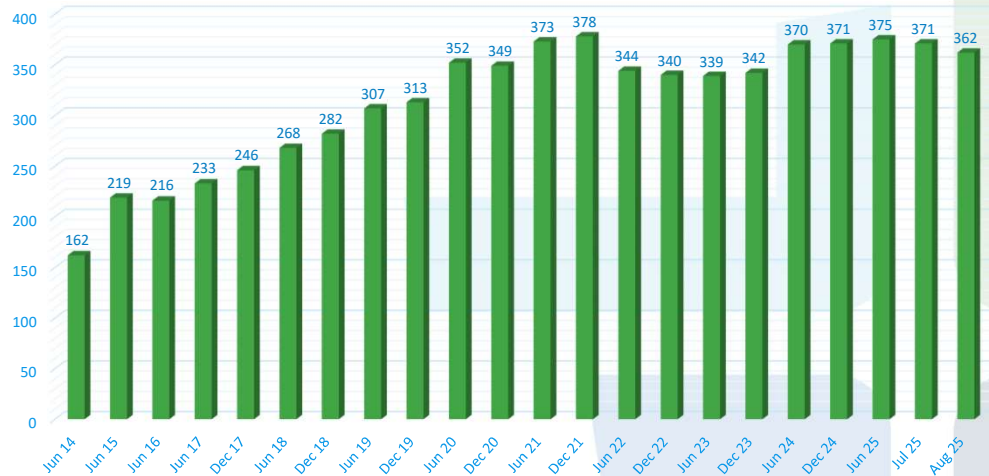
Contract Labor FTE by Month July 2024 – August 2025



** The increase in contract labor correlates with increased census.

20

Days Cash on Hand = 362 Days (\$763M) - August 2025



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Questions/Comments

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SALINAS VALLEY HEALTH MEDICAL CENTER
SUMMARY INCOME STATEMENT
August 31, 2025

Month of August		Two months ended August 31	
current year	prior year	current year	prior year
		Operating revenue:	
\$ 56,878,174	\$ 57,480,398	\$ 120,847,157	\$ 107,929,588
1,929,166	1,679,857	3,817,861	2,867,038
<u>58,807,340</u>	<u>59,160,255</u>	<u>124,665,018</u>	<u>110,796,626</u>
53,793,242	51,849,264	Total operating expenses	109,956,551
1,091,170	213,871	Total non-operating income	(2,576,886)
			98,756,849
			1,436,394
		Operating and non-operating income	
<u>\$ 6,105,268</u>	<u>\$ 7,524,861</u>	<u>\$ 12,131,581</u>	<u>\$ 13,476,171</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
August 31, 2025

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 442,182,847	\$ 401,671,059
Assets whose use is limited or restricted by board	178,118,754	170,331,642
Capital assets	273,105,768	251,618,697
Other assets	340,726,007	303,656,028
Deferred pension outflows	<u>55,438,539</u>	<u>85,734,219</u>
	<u>1,289,571,915</u>	<u>1,213,011,645</u>
LIABILITIES AND EQUITY:		
Current liabilities	80,709,800	93,183,710
Long term liabilities	22,403,646	19,955,262
Lease deferred inflows	2,381,517	1,884,477
Pension liability	79,394,685	90,863,576
Net assets	<u>1,104,682,267</u>	<u>1,007,124,620</u>
	<u>\$ 1,289,571,915</u>	<u>\$ 1,213,011,645</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF NET PATIENT REVENUE
August 31, 2025

Month of August		Two months ended August 31	
current year	prior year	current year	prior year
Patient days:			
By payer:			
1,576	1,609	3,138	3,410
1,113	1,114	1,943	2,082
538	554	1,065	1,085
108	114	296	199
<u>3,335</u>	<u>3,391</u>	<u>6,442</u>	<u>6,776</u>
Gross revenue:			
\$ 131,891,248	\$ 126,686,437	\$ 270,253,251	\$ 252,272,980
88,559,764	81,285,090	166,724,586	160,390,659
59,735,014	58,213,383	124,109,868	112,844,953
11,501,777	12,173,269	26,613,723	21,661,552
<u>291,687,803</u>	<u>278,358,179</u>	<u>587,701,428</u>	<u>547,170,143</u>
Deductions from revenue:			
328,303	466,956	723,703	827,426
635,915	610,804	1,100,578	1,382,709
Contractual adjustments:			
49,248,129	43,796,737	101,425,846	84,743,471
48,042,735	45,761,067	96,745,533	96,391,594
1,118,465	1,255,808	2,393,037	2,779,006
5,651,525	9,163,821	8,625,342	13,717,056
44,492,929	37,779,140	87,061,982	77,531,932
29,045,236	23,771,032	52,750,399	50,558,630
27,827,158	26,459,727	54,765,914	52,123,229
20,625,304	23,880,190	42,471,410	45,612,564
6,017,726	5,407,546	12,227,993	10,499,375
1,776,204	2,524,953	6,562,534	3,073,564
<u>234,809,629</u>	<u>220,877,781</u>	<u>466,854,271</u>	<u>439,240,555</u>
\$ <u>56,878,174</u>	\$ <u>57,480,398</u>	\$ <u>120,847,157</u>	\$ <u>107,929,588</u>
Gross billed charges by patient type:			
\$ 131,113,408	\$ 131,021,847	\$ 261,158,087	\$ 260,491,311
125,588,171	115,608,221	256,058,738	222,594,969
34,986,224	31,728,110	70,484,603	64,083,863
<u>\$ 291,687,803</u>	<u>\$ 278,358,179</u>	<u>\$ 587,701,428</u>	<u>\$ 547,170,143</u>
Total			

SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES
August 31, 2025

Month of August			Two months ended August 31	
current year	prior year		current year	prior year
Operating revenue:				
\$ 56,878,174	\$ 57,480,398	Net patient revenue	\$ 120,847,157	\$ 107,929,588
1,929,166	1,679,857	Other operating revenue	3,817,861	2,867,038
<u>58,807,340</u>	<u>59,160,255</u>	Total operating revenue	<u>124,665,018</u>	<u>110,796,626</u>
Operating expenses:				
19,729,683	18,019,653	Salaries and wages	38,195,515	34,691,701
2,513,121	3,472,109	Compensated absences	6,361,240	7,049,128
9,093,388	8,719,522	Employee benefits	18,770,676	16,430,105
9,865,527	9,214,174	Supplies, food, and linen	18,851,847	16,986,386
3,895,890	4,148,562	Purchased department functions	8,353,111	7,414,924
2,242,866	2,177,224	Medical fees	5,385,285	4,392,031
1,998,299	1,677,496	Other fees	3,972,355	3,009,090
2,514,667	2,481,166	Depreciation	5,164,645	4,956,977
1,939,801	1,939,358	All other expense	4,901,877	3,826,507
<u>53,793,242</u>	<u>51,849,264</u>	Total operating expenses	<u>109,956,551</u>	<u>98,756,849</u>
<u>5,014,098</u>	<u>7,310,991</u>	Income from operations	<u>14,708,467</u>	<u>12,039,777</u>
Non-operating income:				
524,833	267,721	Donations	543,817	273,121
500,550	476,714	Property taxes	1,001,100	953,429
3,594,662	3,745,460	Investment income	3,963,865	9,595,914
0	0	Taxes and licenses	0	0
(3,528,875)	(4,276,024)	Income from subsidiaries	(8,085,668)	(9,386,070)
<u>1,091,170</u>	<u>213,871</u>	Total non-operating income	<u>(2,576,886)</u>	<u>1,436,394</u>
6,105,268	7,524,861	Operating and non-operating income	12,131,581	13,476,171
<u>1,098,576,999</u>	<u>999,599,759</u>	Net assets to begin	<u>1,092,550,686</u>	<u>993,648,449</u>
\$ <u>1,104,682,267</u>	\$ <u>1,007,124,620</u>	Net assets to end	\$ <u>1,104,682,267</u>	\$ <u>1,007,124,620</u>
Net income excluding non-recurring items				
\$ 6,105,268	\$ 7,524,861	Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	\$ 12,131,581	\$ 13,476,171
<u>0</u>	<u>0</u>		<u>0</u>	<u>0</u>
\$ <u>6,105,268</u>	\$ <u>7,524,861</u>	Operating and non-operating income	\$ <u>12,131,581</u>	\$ <u>13,476,171</u>

SALINAS VALLEY HEALTH MEDICAL CENTER
SCHEDULES OF INVESTMENT INCOME
August 31, 2025

Month of August			Two months ended August 31		
current year		prior year	current year		prior year
Salinas Valley Health Clinics					
\$	(207,925)	\$ (198,137)	\$	(384,408)	\$ (411,660)
	(105,358)	(46,016)		(145,994)	(106,971)
	(75,065)	(110,223)		(163,093)	(243,307)
	(189,588)	(199,631)		(387,109)	(462,151)
	(41,428)	(30,030)		(72,508)	(61,184)
	(69,556)	(195,760)		(226,729)	(447,345)
	0	0		0	0
	(474,992)	(545,808)		(974,173)	(1,065,644)
	(406,263)	(388,366)		(838,574)	(760,585)
	(1,413,599)	(832,903)		(1,886,461)	(1,739,498)
	(290,966)	(341,428)		(647,211)	(823,982)
	(457,700)	(241,479)		(799,818)	(557,730)
	(43,150)	(65,743)		(100,312)	(157,241)
	(8,156)	(73,834)		(86,291)	(165,735)
	(322,084)	(434,814)		(656,962)	(825,768)
	508,373	0		0	0
	(40,861)	(70,962)		(98,345)	(168,079)
	0	0		0	0
	10,407	(47,670)		(16,051)	(95,910)
	0	0		0	0
	(21,335)	(37,802)		(48,669)	(92,033)
	(16,174)	(48,601)		(52,631)	(112,383)
	(86,176)	(95,834)		(192,565)	(224,144)
	21,317	3,159		45,589	11,079
	(45,056)	(293,088)		(553,429)	(823,783)
	(16,593)	(125,051)		(105,637)	(244,526)
	(146,207)	(155,816)		(342,236)	(368,100)
	(3,938,135)	(4,575,837)		(8,733,617)	(9,946,680)
	100,285	166,462		121,241	187,337
	0	0		0	0
	0	0		0	0
	161,137	188,142		296,201	339,682
	41,993	(132,121)		49,866	(98,740)
	0	0		0	0
	28,608	0		54,655	0
	77,237	77,330		125,987	132,329
\$	(3,528,875)	\$ (4,276,024)	\$	(8,085,668)	\$ (9,386,070)
		Total			

SALINAS VALLEY HEALTH MEDICAL CENTER
BALANCE SHEETS
August 31, 2025

	<u>Current year</u>	<u>Prior year</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 275,564,472	\$ 264,234,048
Patient accounts receivable, net of estimated uncollectibles of \$69,699,689	135,632,509	114,926,129
Supplies inventory at cost	8,361,689	7,999,941
Current portion of lease receivable	353,569	1,510,630
Other current assets	<u>22,270,608</u>	<u>13,000,312</u>
Total current assets	<u>442,182,847</u>	<u>401,671,059</u>
Assets whose use is limited or restricted by board	<u>178,118,754</u>	<u>170,331,642</u>
Capital assets:		
Land and construction in process	67,714,221	46,476,448
Other capital assets, net of depreciation	<u>205,391,547</u>	<u>205,142,249</u>
Total capital assets	<u>273,105,768</u>	<u>251,618,697</u>
Other assets:		
Right of use assets, net of amortization	11,597,251	7,223,649
Long term lease receivable	2,007,967	404,025
Subscription assets, net of amortization	7,185,832	9,309,002
Investment in Securities	274,050,012	261,142,160
Investment in SVHC	5,774,504	2,011,694
Investment in Coastal	1,695,908	107,294
Investment in other affiliates	18,015,062	23,448,167
Net pension asset	<u>20,399,471</u>	<u>10,037</u>
Total other assets	<u>340,726,007</u>	<u>303,656,028</u>
Deferred pension outflows	<u>55,438,539</u>	<u>85,734,219</u>
	<u><u>\$ 1,289,571,915</u></u>	<u><u>\$ 1,213,011,645</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 49,255,289	\$ 61,880,794
Due to third party payers	4,491,676	3,877,321
Current portion of self-insurance liability	21,593,042	21,015,594
Current subscription liability	1,568,594	3,816,833
Current portion of lease liability	<u>3,801,199</u>	<u>2,593,168</u>
Total current liabilities	80,709,800	93,183,710
Long term portion of workers comp liability	11,655,972	12,078,720
Long term portion of lease liability	8,231,940	4,708,365
Long term subscription liability	<u>2,515,734</u>	<u>3,168,177</u>
Total liabilities	<u>103,113,446</u>	<u>113,138,972</u>
Lease deferred inflows	2,381,517	1,884,477
Pension liability	<u>79,394,685</u>	<u>90,863,576</u>
Net assets:		
Invested in capital assets, net of related debt	273,105,768	251,618,697
Unrestricted	<u>831,576,499</u>	<u>755,505,923</u>
Total net assets	<u>1,104,682,267</u>	<u>1,007,124,620</u>
	<u><u>\$ 1,289,571,915</u></u>	<u><u>\$ 1,213,011,645</u></u>

SALINAS VALLEY HEALTH MEDICAL CENTER
STATEMENTS OF REVENUE AND EXPENSES - ('000)
August 31, 2025

Month of August					Two months ended August 31			
Actual	Budget	Variance	% Var		Actual	Budget	Variance	% Var
				Operating revenue:				
\$ 291,688	\$ 290,967	720	0.25%	Gross billed charges	\$ 587,701	\$ 581,935	5,766	0.99%
234,810	233,311	1,498	0.64%	Deductions from revenue	466,854	467,058	(204)	-0.04%
56,878	57,656	(778)	-1.35%	Net patient revenue	120,847	114,877	5,970	5.20%
1,929	1,722	208	12.05%	Other operating revenue	3,818	3,443	375	10.88%
58,807	59,378	(570)	-0.96%	Total operating revenue	124,665	118,320	6,345	5.36%
				Operating expenses:				
19,730	19,010	719	3.78%	Salaries and wages	38,196	37,238	958	2.57%
2,513	3,492	(979)	-28.03%	Compensated absences	6,361	7,588	(1,226)	-16.16%
9,093	8,173	920	11.26%	Employee benefits	18,771	16,080	2,690	16.73%
9,866	9,035	830	9.19%	Supplies, food, and linen	18,852	18,071	781	4.32%
3,896	4,190	(294)	-7.02%	Purchased department functions	8,353	8,380	(27)	-0.32%
2,243	2,615	(372)	-14.24%	Medical fees	5,385	5,230	155	2.96%
1,998	1,503	495	32.93%	Other fees	3,972	3,007	966	32.12%
2,515	2,551	(36)	-1.41%	Depreciation	5,165	5,112	53	1.03%
1,940	2,368	(429)	-18.09%	All other expense	4,902	4,737	165	3.48%
53,793	52,939	855	1.61%	Total operating expenses	109,957	105,442	4,514	4.28%
5,014	6,439	(1,425)	-22.13%	Income from operations	14,708	12,878	1,831	14.22%
				Non-operating income:				
525	217	308	142.23%	Donations	544	433	110	25.50%
501	501	(0)	0.00%	Property taxes	1,001	1,001	(0)	0.00%
3,595	1,243	2,352	189.27%	Investment income	3,964	2,485	1,478	59.48%
(3,529)	(4,570)	1,041	-22.78%	Income from subsidiaries	(8,086)	(9,134)	1,048	-11.47%
1,091	(2,610)	3,701	-141.80%	Total non-operating income	(2,577)	(5,214)	2,637	-50.57%
\$ 6,105	\$ 3,829	2,276	59.45%	Operating and non-operating income	\$ 12,132	\$ 7,664	4,467	58.29%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of August and two months to date

Month of August		Two months to date		Variance	
2024	2025	2024-25	2025-26		
NEWBORN STATISTICS					
38	32	Medi-Cal Admissions	69	64	(5)
84	73	Other Admissions	160	157	(3)
122	105	Total Admissions	229	221	(8)
64	55	Medi-Cal Patient Days	184	103	(81)
132	111	Other Patient Days	186	238	52
196	166	Total Patient Days of Care	370	341	(29)
6.3	5.4	Average Daily Census	6.0	5.5	(0.5)
2.0	1.8	Medi-Cal Average Days	2.9	1.7	(1.2)
1.5	1.5	Other Average Days	1.2	1.5	0.3
1.8	1.6	Total Average Days Stay	1.7	1.6	(0.1)
ADULTS & PEDIATRICS					
361	357	Medicare Admissions	752	726	(26)
343	285	Medi-Cal Admissions	585	547	(38)
402	300	Other Admissions	621	604	(17)
1,106	942	Total Admissions	1,958	1,877	(81)
1,337	1,318	Medicare Patient Days	2,833	2,599	(234)
1,172	1,199	Medi-Cal Patient Days	2,153	2,141	(12)
931	645	Other Patient Days	1,884	1,377	(507)
3,440	3,162	Total Patient Days of Care	6,870	6,117	(753)
111.0	102.0	Average Daily Census	110.8	98.7	(12.1)
3.7	3.5	Medicare Average Length of Stay	3.7	3.5	(0.2)
3.4	3.4	Medi-Cal AverageLength of Stay	3.3	3.2	(0.1)
2.4	2.0	Other Average Length of Stay	2.4	2.0	(0.5)
3.2	3.0	Total Average Length of Stay	3.1	2.9	(0.2)
17	21	Deaths	54	38	(16)
3,636	3,328	Total Patient Days	7,240	6,458	(782)
0	0	Medi-Cal Administrative Days	0	0	0
0	0	Medicare SNF Days	0	0	0
0	0	Over-Utilization Days	0	0	0
0	0	Total Non-Acute Days	0	0	0
0.00%	0.00%	Percent Non-Acute	0.00%	0.00%	0.00%

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of August and two months to date

Month of August		Two months to date			
2024	2025		2024-25	2025-26	Variance
<u>PATIENT DAYS BY LOCATION</u>					
270	237	Level I	541	420	(121)
336	300	Heart Center	649	616	(33)
575	535	Monitored Beds	1,145	1,049	(96)
387	298	Single Room Maternity/Obstetrics	690	588	(102)
814	753	Med/Surg - Cardiovascular	1,634	1,528	(106)
266	254	Med/Surg - Oncology	537	420	(117)
482	463	Med/Surg - Rehab	951	931	(20)
104	126	Pediatrics	202	253	51
196	166	Nursery	370	341	(29)
131	196	Neonatal Intensive Care	207	312	105
<u>PERCENTAGE OF OCCUPANCY</u>					
67.00%	58.81%	Level I	67.12%	52.11%	
72.26%	64.52%	Heart Center	69.78%	66.24%	
68.70%	63.92%	Monitored Beds	68.40%	62.66%	
33.74%	25.98%	Single Room Maternity/Obstetrics	30.08%	25.63%	
58.35%	53.98%	Med/Surg - Cardiovascular	58.57%	54.77%	
66.00%	63.03%	Med/Surg - Oncology	66.63%	52.11%	
59.80%	57.44%	Med/Surg - Rehab	59.00%	57.75%	
0.00%	0.00%	Med/Surg - Observation Care Unit	0.00%	0.00%	
18.64%	22.58%	Pediatrics	18.10%	22.67%	
38.32%	32.45%	Nursery	18.08%	16.67%	
38.42%	57.48%	Neonatal Intensive Care	30.35%	45.75%	

SALINAS VALLEY HEALTH MEDICAL CENTER
PATIENT STATISTICAL REPORT
For the month of August and two months to date

Month of August			Two months to date		
2024	2025		2024-25	2025-26	Variance
<u>DELIVERY ROOM</u>					
108	91	Total deliveries	231	203	(28)
37	33	C-Section deliveries	68	62	(6)
34.26%	36.26%	Percent of C-section deliveries	29.44%	30.54%	1.10%
<u>OPERATING ROOM</u>					
19,545	19,469	In-Patient Operating Minutes	40,430	37,905	(2,525)
32,565	39,626	Out-Patient Operating Minutes	62,149	75,700	13,551
52,110	59,095	Total	102,579	113,605	11,026
12	10	Open Heart Surgeries	24	23	(1)
128	120	In-Patient Cases	262	252	(10)
310	381	Out-Patient Cases	611	734	123
<u>EMERGENCY ROOM</u>					
32	40	Immediate Life Saving	63	88	25
910	894	High Risk	1,748	1,757	9
2,671	2,897	More Than One Resource	5,407	5,717	310
1,686	1,807	One Resource	3,358	3,250	(108)
73	62	No Resources	135	137	2
5,372	5,700	Total	10,711	10,949	238

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Month of August			Two months to date		
2024	2025		2024-25	2025-26	Variance
CENTRAL SUPPLY					
13,389	10,473	In-patient requisitions	26,261	21,475	-4,786
11,095	11,098	Out-patient requisitions	21,571	22,357	786
963	423	Emergency room requisitions	1,790	823	-967
6,641	6,828	Interdepartmental requisitions	13,138	12,972	-166
32,088	28,822	Total requisitions	62,760	57,627	-5,133
LABORATORY					
35,268	33,917	In-patient procedures	71,179	67,846	-3,333
45,294	47,910	Out-patient procedures	89,473	98,931	9,458
12,689	13,559	Emergency room procedures	25,041	26,797	1,756
93,251	95,386	Total patient procedures	185,693	193,574	7,881
BLOOD BANK					
234	295	Units processed	465	565	100
ELECTROCARDIOLOGY					
1,173	1,187	In-patient procedures	2,279	2,325	46
435	545	Out-patient procedures	782	1,138	356
1,300	1,403	Emergency room procedures	2,549	2,889	340
2,908	3,135	Total procedures	5,610	6,352	742
CATH LAB					
145	110	In-patient procedures	270	255	-15
130	119	Out-patient procedures	249	292	43
0	0	Emergency room procedures	0	0	0
275	229	Total procedures	519	547	28
ECHO-CARDIOLOGY					
396	416	In-patient studies	844	817	-27
362	491	Out-patient studies	719	938	219
1	1	Emergency room studies	3	3	0
759	908	Total studies	1,566	1,758	192
NEURODIAGNOSTIC					
140	121	In-patient procedures	264	258	-6
27	15	Out-patient procedures	41	52	11
0	0	Emergency room procedures	0	1	1
167	136	Total procedures	305	311	6

SALINAS VALLEY HEALTH MEDICAL CENTER

PATIENT STATISTICAL REPORT

For the month of August and two months to date

Month of August		Two months to date		
2024	2025	2024-25	2025-26	Variance
SLEEP CENTER				
0	0	In-patient procedures	0	0
268	305	Out-patient procedures	538	630
0	0	Emergency room procedures	0	0
268	305	Total procedures	538	630
RADIOLOGY				
1,292	1,221	In-patient procedures	2,657	2,459
419	430	Out-patient procedures	863	897
1,625	1,562	Emergency room procedures	3,176	3,035
3,336	3,213	Total patient procedures	6,696	6,391
MAGNETIC RESONANCE IMAGING				
180	226	In-patient procedures	388	455
124	103	Out-patient procedures	235	213
6	7	Emergency room procedures	12	10
310	336	Total procedures	635	678
MAMMOGRAPHY CENTER				
3,085	3,769	In-patient procedures	6,333	7,947
3,077	3,747	Out-patient procedures	6,313	7,910
0	1	Emergency room procedures	1	4
6,162	7,517	Total procedures	12,647	15,861
NUCLEAR MEDICINE				
19	14	In-patient procedures	45	32
140	139	Out-patient procedures	256	294
0	0	Emergency room procedures	0	1
159	153	Total procedures	301	327
PHARMACY				
80,108	74,877	In-patient prescriptions	162,863	146,197
16,741	18,706	Out-patient prescriptions	32,729	37,183
9,824	10,805	Emergency room prescriptions	19,141	21,006
106,673	104,388	Total prescriptions	214,733	204,386
RESPIRATORY THERAPY				
14,284	12,219	In-patient treatments	29,531	24,427
1,109	480	Out-patient treatments	1,760	793
369	885	Emergency room treatments	729	1,822
15,762	13,584	Total patient treatments	32,020	27,042
PHYSICAL THERAPY				
2,485	2,090	In-patient treatments	4,683	4,475
259	428	Out-patient treatments	528	948
0	3	Emergency room treatments	0	3
2,744	2,521	Total treatments	5,211	5,426

SALINAS VALLEY HEALTH MEDICAL CENTER
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Month of August			Two months to date		
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OCCUPATIONAL THERAPY					
1,475	1,300	In-patient procedures	3,072	2,715	-357
188	401	Out-patient procedures	421	777	356
0	0	Emergency room procedures	0	0	0
1,663	1,701	Total procedures	3,493	3,492	-1
SPEECH THERAPY					
535	573	In-patient treatments	1,010	1,177	167
40	84	Out-patient treatments	63	163	100
0	0	Emergency room treatments	0	0	0
575	657	Total treatments	1,073	1,340	267
CARDIAC REHABILITATION					
1	0	In-patient treatments	2	3	1
654	548	Out-patient treatments	1,326	1,275	-51
0	1	Emergency room treatments	0	1	1
655	549	Total treatments	1,328	1,279	-49
CRITICAL DECISION UNIT					
188	229	Observation hours	494	455	-39
ENDOSCOPY					
96	92	In-patient procedures	168	171	3
65	61	Out-patient procedures	109	123	14
0	0	Emergency room procedures	0	1	1
161	153	Total procedures	277	295	18
C.T. SCAN					
755	811	In-patient procedures	1,543	1,573	30
519	475	Out-patient procedures	935	975	40
812	805	Emergency room procedures	1,565	1,643	78
2,086	2,091	Total procedures	4,043	4,191	148
DIETARY					
14,890	16,010	Routine patient diets	29,832	32,321	2,489
32,665	30,908	Meals to personnel	68,141	67,641	-500
47,555	46,918	Total diets and meals	97,973	99,962	1,989
LAUNDRY AND LINEN					
96,048	106,762	Total pounds laundered	189,713	211,666	21,953

CLOSED SESSION

*(Report on Items to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

(Meeting Chair)

ADJOURNMENT