



**Kittitas County Public Hospital District No. 2
BOARD OF COMMISSIONERS' MEETING**

August 19, 2019

6:30 p.m.

KVH Family Medicine – Cle Elum

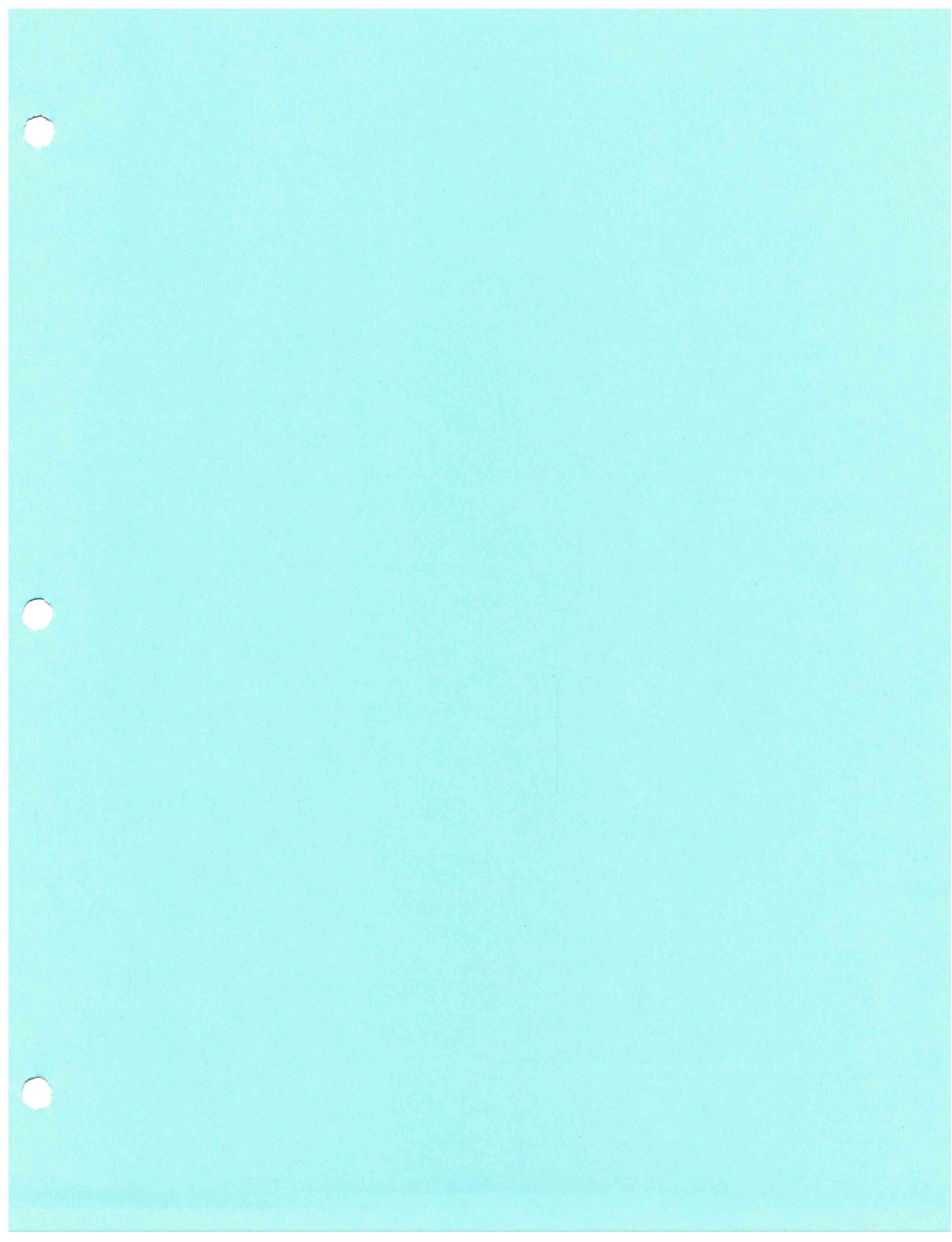
AGENDA

- I. Introductions**
- II. Approval of Agenda**
- III. Approval of Minutes**
 - a. July 15, 2019*
- IV. Public Comments/Announcements/Correspondence**
- V. Reports:**
 - a. Operations Report (G. Scherer)
 - b. Superintendent's Report (J. Petersen)
 - c. Ancillary Report (R. Holden)
 - d. Finance Report, Approval of Expenses* (S. Olander)
 - e. Ambulance Garage* (KDA)
- VI. Old Business**
 - a. Operating Agreement between PHD1 & PHD2 (J. Petersen)
 - b. 13th District Legislature Meeting – September 20, 2019 (J. Petersen)
- VII. New Business**
 - a. KCPHD2 – Basic Financial Statement and Individual Auditing Report* (S. Olander)
 - b. Rodeo Parade & HD2
 - c. Next Meeting Date: September 16, 2019
- VIII. Executive Session RCW**
- IX. Adjournment**

Note: Upcoming Agenda Items
Open Door Clinic Quarterly Report – October 2019
Tax Budget – September/October 2019
Medic One Unique Service - TBD

Key:

*Action Item





Kittitas County Public Hospital District #2

BOARD MEETING MINUTES

Meeting Date: Monday: July 15, 2019
Minutes of: Regular Meeting of the Board of Commissioners
Meeting Place: KVH Family Medicine Clinic, Cle Elum, WA
Minutes Submitted By: Scott Olander, Treasurer

Call to Order:

Regular Meeting: Call to order made by Commissioner Rogalski at 6:30 p.m.

Introductions:

Commissioners: Floyd Rogalski, Melissa Becker, Fred Benjamin and Kevin Nicholson. Hartwig Vatheuer was excused. Superintendent: Julie Petersen; Treasurer: Scott Olander; Ancillary Operations: Rhonda Holden; EMS Manager: Geoff Scherer.

Approval of Agenda:

Action: A motion to approve the agenda was made by Commissioner Nicholson and seconded by Commissioner Benjamin. Motion carried.

Approval of Minutes:

Action: A motion to approve the minutes of the June 20, 2019 Regular meeting was made by Commissioner Benjamin and seconded by Commissioner Nicholson. Motion carried.

Public Comments/Announcements/Correspondence:

Commissioner Rogalski commented that the Public Hospital District Conference held at Chelan from June 24 to 26 that he and Commissioner Nicholson attended was very informative.

Julie suggested that Hospital Districts 1 and 2 honor PHD leaders who have recently passed away.

Operations Report:

The Commissioners reviewed the written operations report and operating statistics for June 2019. Geoff Scherer reported that June transports exceeded budget by 4 transports. YTD there have been 16 more transports than was budgeted and 35 more transports in 2019 than in 2018, a 9.1% increase. Geoff reported that Medic 7 (new ambulance) is being used often and went in for routine maintenance in June. The medication cooler in Medic 7 failed and will be repaired. Geoff reported that the air

conditioner in Medic 4 has a problem and will be repaired. Geoff reported that YTD he has been able to fill only 29 of stipend shifts. He had budgeted to use 48 stipend shifts. Kittitas Valley Public Health approached Geoff and requested that District 2 donate 50 doses of flu vaccine at a cost of \$750. Commissioners approved the donation.

Superintendent's Report:

The Commissioners reviewed the written report for June 2019. Julie reported that IAFF staff members ratified a new 3 year labor agreement. The agreement is comparable to EMS agreements at Prosser and Leavenworth, similar sized EMS providers. Julie believes the labor agreement is fair to the District and labor unit.

Julie provided a copy of a letter sent to Kittitas Valley Fire and Rescue (KVFR) expressing concern about periodic patient transport delays from the hospital. The letter asks that KVFR and District 2 collaborate on developing a transport backup plan that allows District 2 to share some of the hospital transport burden. Scott noted that additional transports would be financially beneficial for District 2.

Ancillary Report:

The Commissioners reviewed the written report for June 2019. Rhonda provided a final draft of the Community Report for the Commissioners to review.

Finance Report:

The financial statements for June 2019 were reviewed by the Commissioners. The review included a review of actual versus budgeted revenue and expense variances. June transports exceeded budget so revenue for June also exceeded budget by \$12,068. YTD Total Revenue is \$83,078 greater than budget. 2019 Total Revenue through June is \$259,573 greater than 2018 Total Revenue. Expense controls resulted in a YTD favorable expense variances of \$80,416. YTD Net Income is \$191,910 compared to budgeted YTD net income of \$8,721.

Action: A motion to approve the checks for June was made by Commissioner Nicholson and seconded by Commissioner Benjamin. Motion carried.

Open Door Clinic:

Open Door Clinic activity for the month of June was provided.

Ambulance Station:

Architects from KDA were not able to attend the meeting but did provide an updated Ambulance Station bubble diagram that incorporated recommendations from recent planning sessions. The changes added an additional 1,250 sq. ft. to the proposed station. The station is now 11,250 sq. ft. KDA also provided Site Plan Future Development Option F that included recent changes requested by the Commissioners.

Action: A motion to enter into a contract with KDA Architects to design a new Ambulance Station was made by Commissioner Benjamin and seconded by Commissioner Nicholson. Motion carried.

Executive Session:

The Commissioners went into executive session at 7:32 p.m. for approximately 25 minutes to discuss the IAFF labor agreement and purchase of real estate.

Executive session ended at 7:59 .pm.

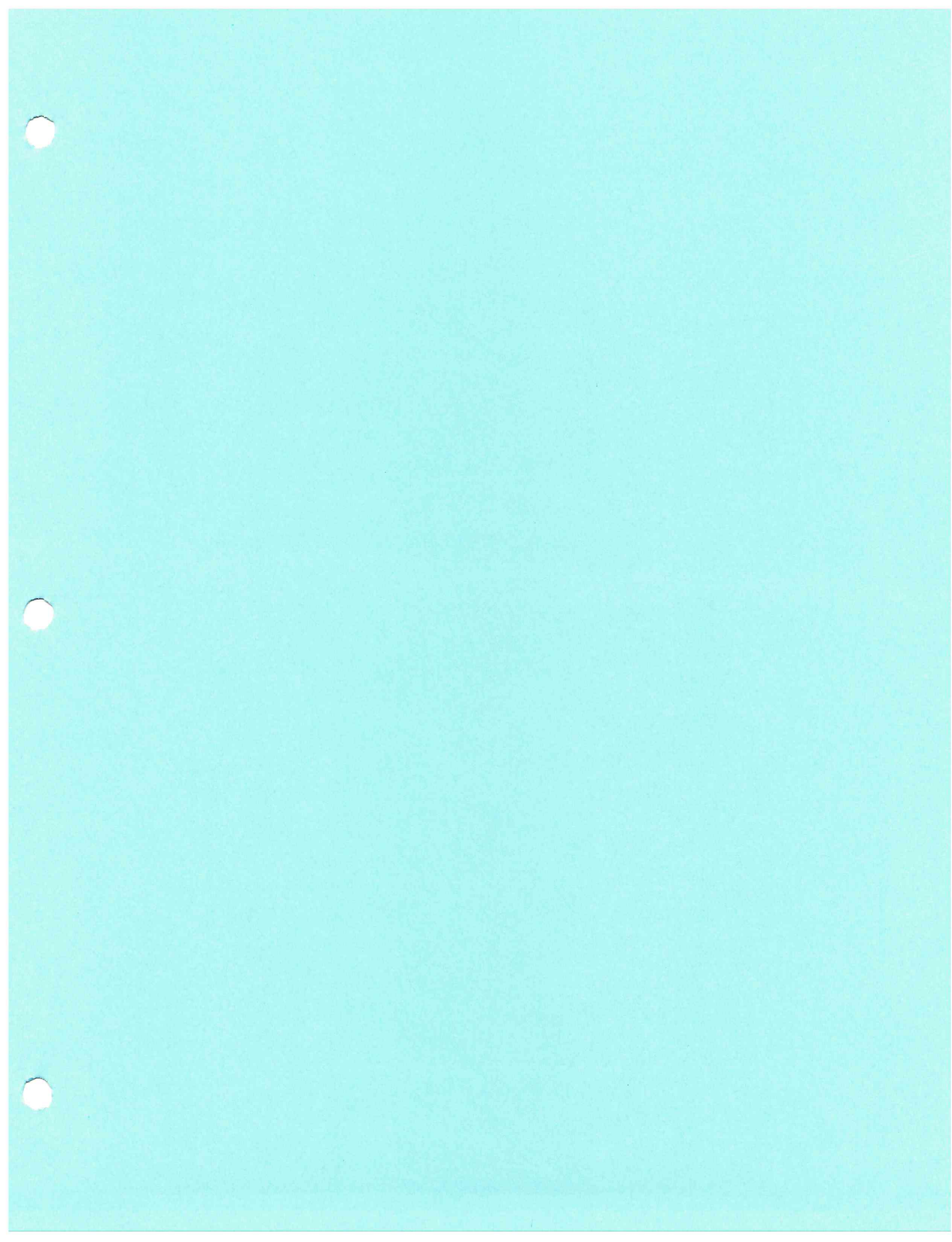
Motion to accept the new three year IAFF labor agreement made by Commissioner Nicholson and seconded by Commissioner Becker. Motion carried.

New Business:

Next regular meeting date: August 19, 2019 at KVH Family Medicine Cle Elum.

Announcements:

There being no further business the meeting was adjourned at 8:07 p.m. by Commissioner Rogalski.



Operation's Manager Report – July 2019

	July 2019	July 2018
Calls for Service	140	105
Patient Count	98	110
Patient Transports	70	70
Patient Refusals	12	21
Year to Date Transports	490	455
Station #73 Transports	35	
Station # 99 Transports	35	
Passed Calls	0	

No. of Stipend Shifts	
District #7	1
Other	3
Cle Elum FD	0
Monthly Total	4

PERSONNEL

Stipend shifts decreased from 5 to 4 this month, they are still under the 8 shifts per month that I have budgeted. Salaries and wages continue to be over budget from lack of stipend shifts and covering vacation and sick time with overtime rate employees. I have lost 2 per diem medics this month, they have not worked for the agency in the last 5 months. This brings me down to 2 per diem medics and one in training. I will also be doing another testing to create an eligibility list for per diem medics and EMT's.

APPARATUS

M4 is first out at station 73, it has a leaky windshield gasket that soaks the driver when the AC is on. M7 in in back up at station 73, it had its cool cabinet removed and returned to Braun for warranty work. M8 prebuild meeting was done July 24th, I am waiting for the change order paperwork from Braun.

Year	Unit	Beg ODO	End ODO	Miles	Location	Comments
2018	M7	10,172	9,218	954	Station 93	Back up
2016	M6	85,143	87,461	2,318	Station 99	Backup
2016	M5	114,392	117,843	3,451	Station 72	Shop
2014	M4	139,064	141,594	2,530	Station 93	In Use
2019	M8					On Order

MISCELLANEOUS

- Upper Kittitas County Medic One attended the 3on3 basketball tournament in Cle Elum and the Suncadia homeowner's association BBQ at Dawson Park this last month.
- Public Health Department will no longer be utilizing the mobile truck for needle exchange, the have on have 5 people show up in the 18 months it has been operating. They believe people will now use the public transportation to get to Ellensburg for public health needs.
- The Agency provided 50 hours of dispatch services to Kittcom; I have invoiced for the loaded rate overtime hours.
- FD#6 Ronald has expressed interest in M4 when we surplus it.
- Attached is a bid for a larger door at Station 99.

Kittitas County Hospital District #2

Patient Transport Count per Destination - 2019

Hospital	YTD	July	August	September
Central Washington Hospital	4	0		
Harborview	18	3		
KVH	327	46		
Snoqualmie Valley Hospital	30	6		
Swedish Issaquah	46	6		
Virginia Mason	9	1		
Yakima Regional	9	1		
Yakima Memorial	14	3		
Childrens	4	1		
University of Washington	2	0		
Valley Renton	0	0		
Overlake	17	2		

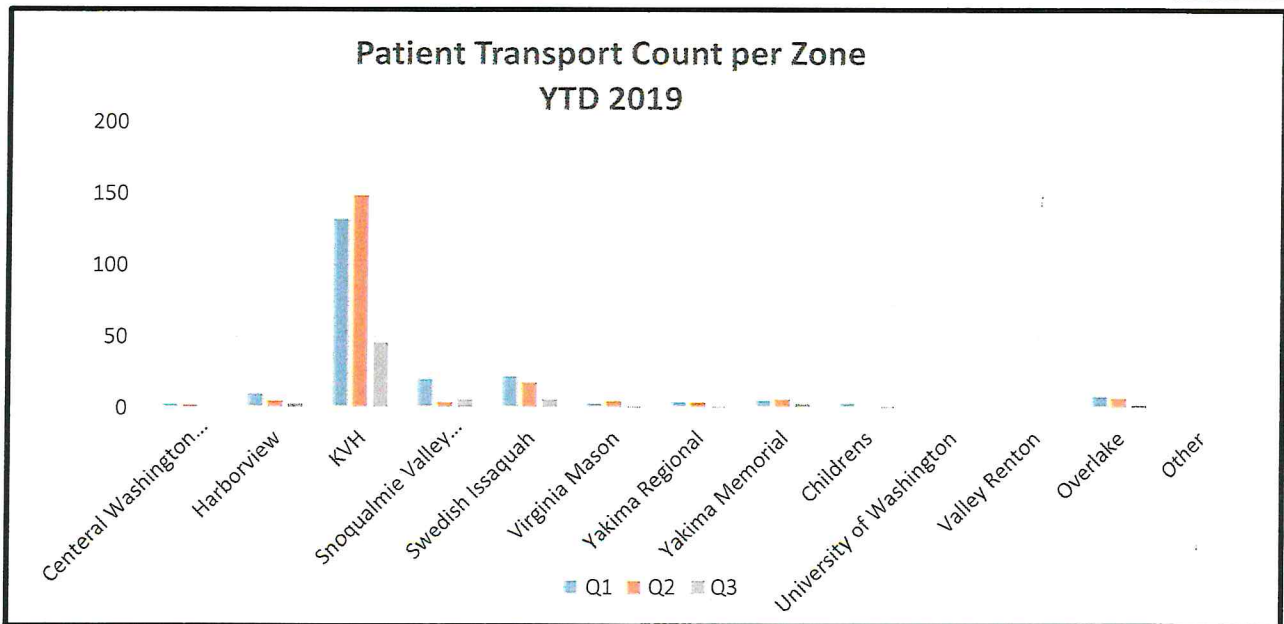
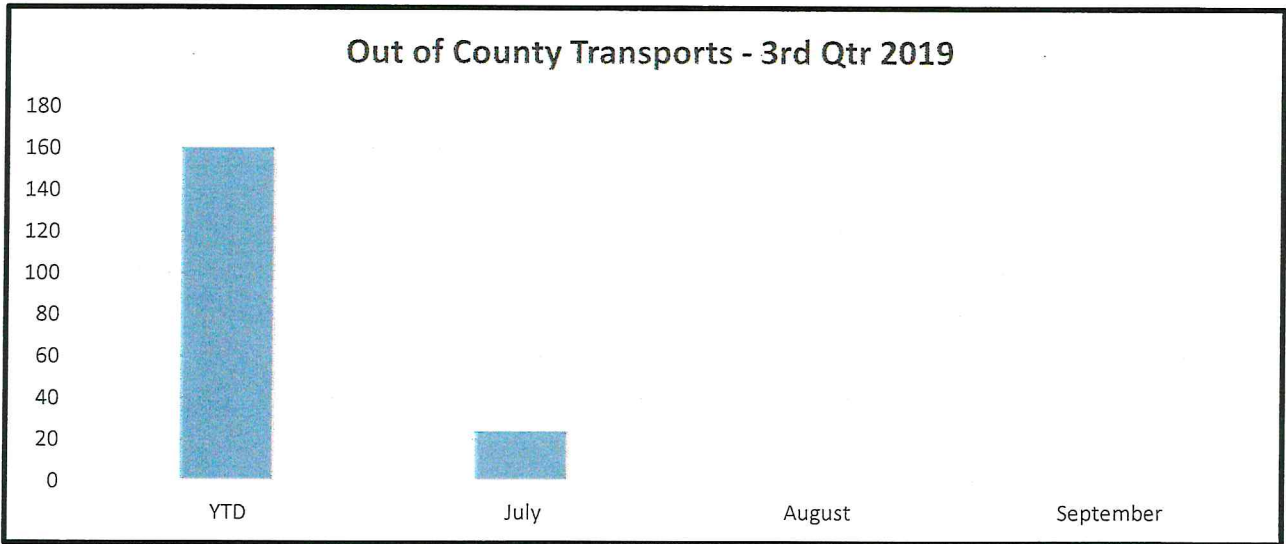
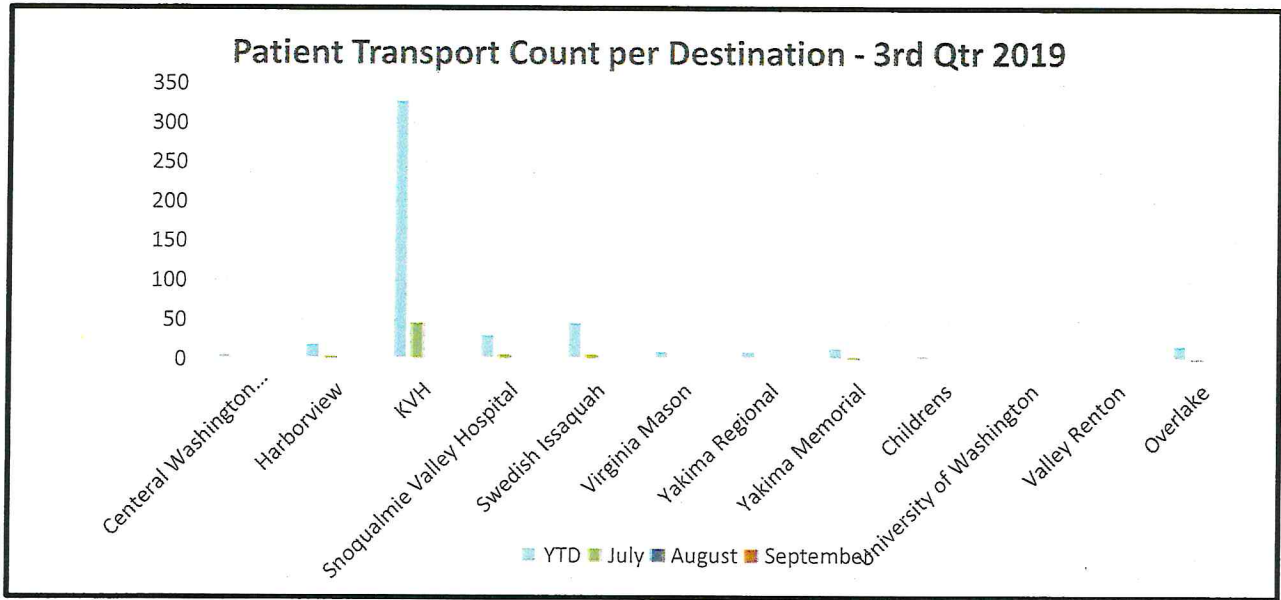
	YTD	July	August	September
Out of County Transports	160	24		

Patient Transport Count per Zone

Zone	YTD	July	August	September
Snoqualmie Pass	44	3		
Fire District 8	9	0		
Fire District 7	109	27		
Cle Elum	110	11		
Easton	26	7		
Ronald	23	4		
Urgent Care	65	11		
Roslyn	28	1		
South Cle Elum	13	1		
Family Medicine - Cle Elum	24	2		
KVH	22	3		
Other	8	0		

Zone	YTD	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Snoqualmie Pass	44	36	5	3	
Fire District 8	9	8	1	0	
Fire District 7	109	33	49	27	
Cle Elum	110	39	60	11	
Easton	26	5	14	7	
Ronald	23	10	9	4	
Urgent Care	65	34	20	11	
Roslyn	28	13	14	1	
South Cle Elum	13	7	5	1	
Family Medicine - Cle Elum	24	12	10	2	
KVH	22	11	8	3	
Other	8	4	4	0	

Comments:

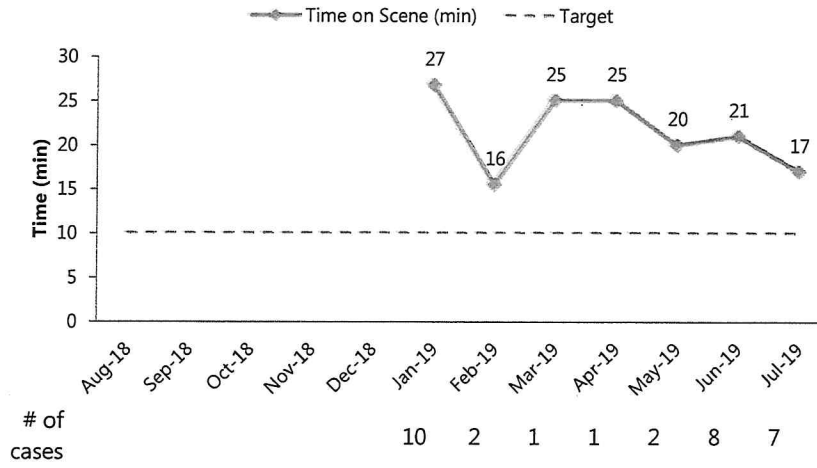


Kittitas County Public Hospital District No. 2

Quality Metrics

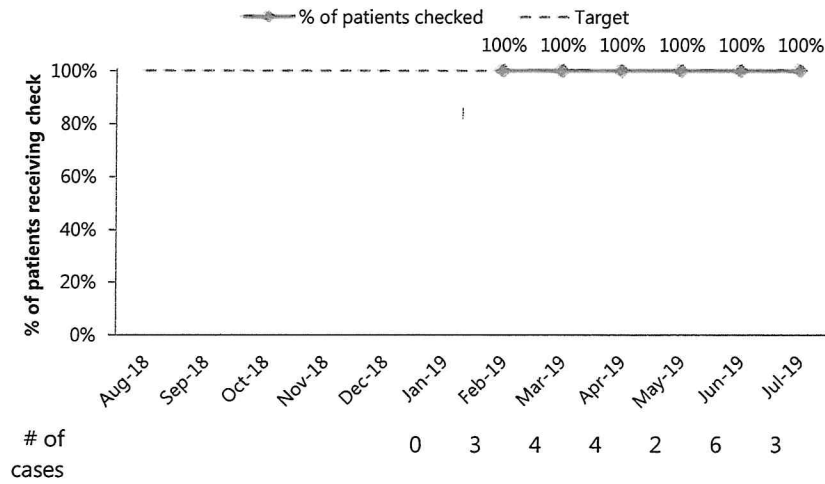
Time on Scene

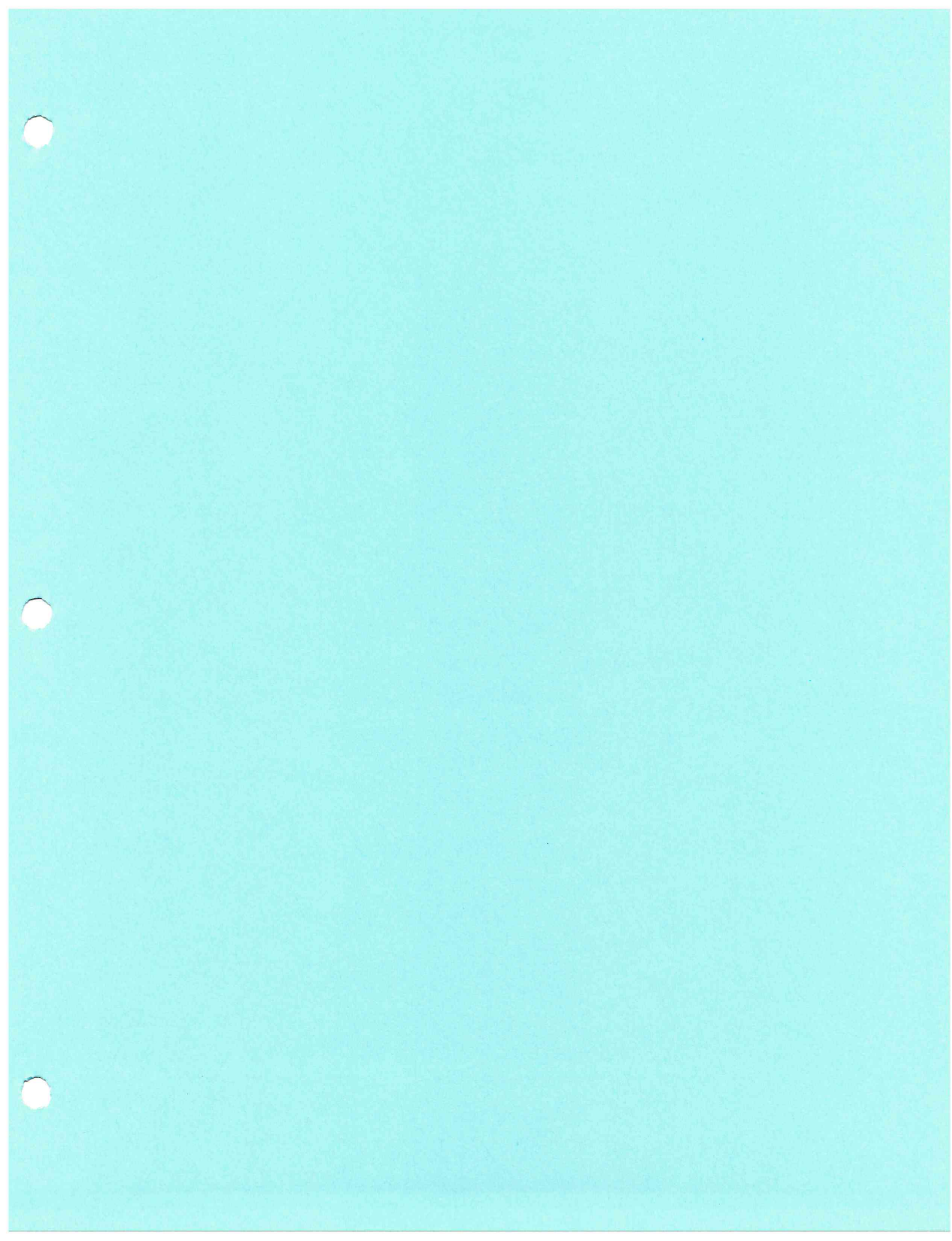
for trauma patients



Glucose Checked

for patients with stroke symptoms







SUPERINTENDENT'S REPORT – Julie Petersen

August 2019

Inter-Facility Transfers

In July reported that I (as CEO of KVH) had initiated a conversation between KVFR and Medic #1 requesting that they work to coordinate their response to requests for medically necessary, inter facility transports from KVH. The Emergency Department at KVH was experiencing longer than optimal wait times for transfers. The two agencies have since met and I have attached the response from Deputy Fire Chief, Rich Elliott. I appreciate the cooperation between the two agencies in addressing this issue. No action is required of the Board.

Architectural Services Contract – KDA

KDA has proposed a contract (boilerplate AIA) for the definitive design through construction phases of the Ambulance Garage project. The essential elements of the contract include:

- Fees based on 11.6% of estimated construction costs of \$3.3 million or \$382,800. We have included a not to exceed of \$400,000.
- The contract specifically excludes:
 - On Site Civil Engineer - \$26,500 est
 - Landscape Architect - \$10,000 est
 - Detail Cost Estimator (2) \$22,000 est *this is optional but KVH found it very helpful*
 - Tax

These costs will be capitalized as part of the project. Payment to KDA occurs on a percentage basis with 35% being paid out with completion of construction documents and 25% during construction.

KDA has stipulated that Ron Urlacher, Director of Facility Services at KVH, function as liaison and that HD 2 designate a Discussion Team (operational) and Decision Team (administrative) to manage the design decisions. This is a structure that KVH utilizes to clearly delineate project authority.

I will be asking the Board for authority to execute the contract.

Amendment to Operating Agreement Between KCHD#2 and KCHD#1

The "original" Operating Agreement between HD#2 and HD#1 was executed in 2002. This agreement is the document that grants District #1 the authority to operate within the legal boundaries of District #2. The original agreement provides for District #1 to operate out of space leased from District #2. The attached Amendment modifies the agreement to allow District #1 to purchase the Urgent Care building, grants District #2 the right of first refusal if District #1 sells the property and defines and allocates "gain" from future sale to a third party, in the event that District #2 declines to exercise the right of first refusal.

I will be asking the Board to approve the Amendment.

I will be asking the HD #1 Board to approve the Amendment on August 22, 2019.

Legislative District 13 Delegation

KVH will host District #13 Representatives Dent and Yabarra and Senator Warnick on September 20th at 2pm. We will focus on educating the delegation about the breadth of services provided by our Hospital Districts, the systems nature of the enterprise and our strategic partnerships. KVH has invited Public Health, the CHCW residency program, Kittitas County Health Network and Hospital District #2 to participate in the presentation. All are welcome and encouraged to attend.

Julie Petersen

From: Rich Elliott <elliotttr@kvfr.org>
Sent: Tuesday, July 30, 2019 3:01 PM
To: Geoff Scherer (KCHD#2); Cindy Dennis
Cc: Dede L. Utley; Julie Petersen; John Sinclair
Subject: Interagency Cooperation - Managing KVH Transfers

DON'T GET PHISHED - message sent from outside of KVH - don't open suspicious attachments or links, or those from unknown senders.

Geoff Scherer, Dede Utley and I all met at KCHD 2 a little over a week ago to discuss our collective response to a letter both KCHD 2 and KVFR received from Julie Peterson who, as you know serves as the CEO for KCHD 1 (KVH) and the Superintendent for KCHD 2. The letter directed operational staff to come up with a backup transfer plan during times of heavy service demand for KVFR.

We took that direction and tried to look at the issue more proactively. KVFR is, by contract, the designated ALS ambulance provider and has been essentially the sole provider of ambulance transport for more than 45 years (City of Ellensburg included). We, KVFR, are not looking to change that in any way. We are, however, looking to consider more proactive management of ambulance transfers.

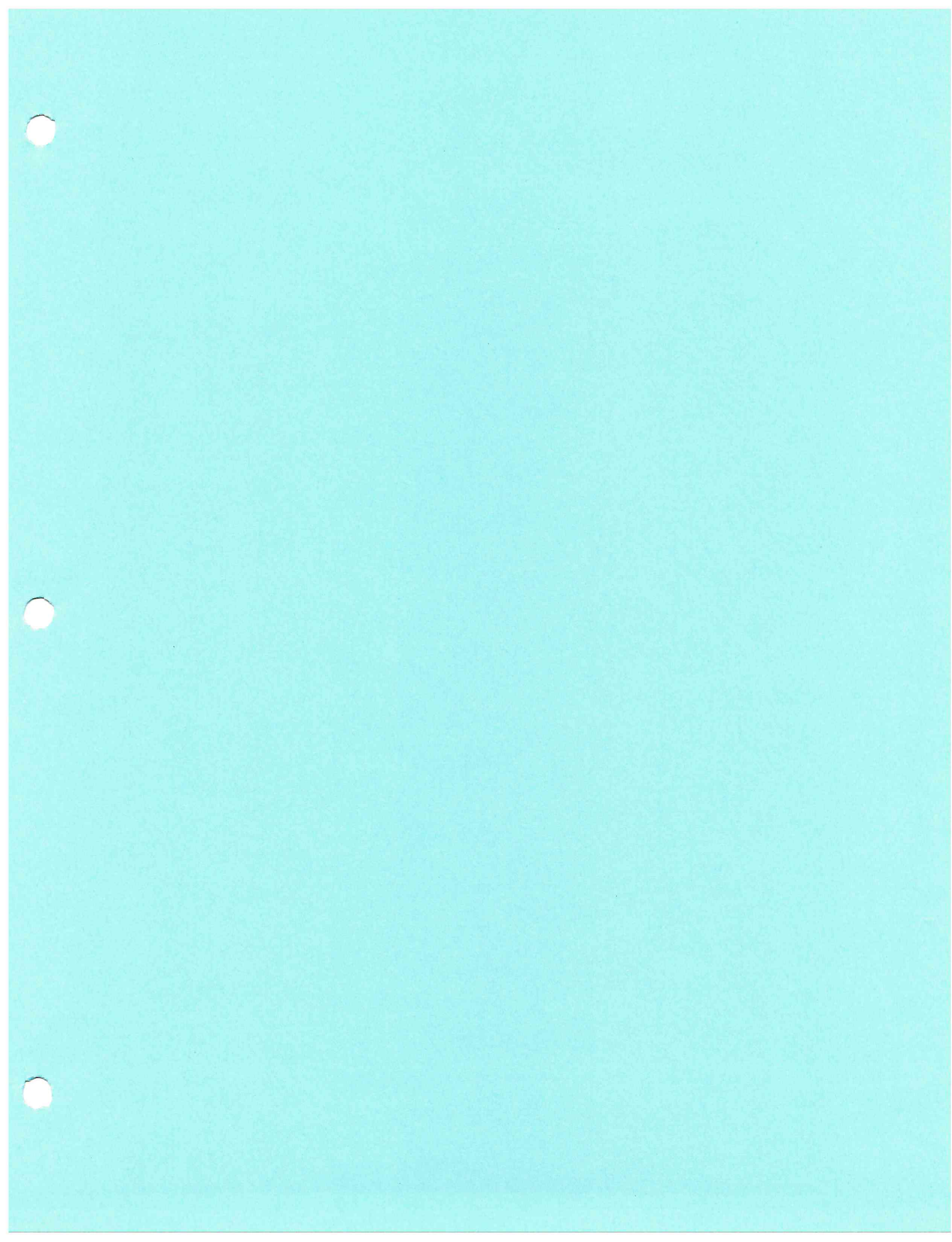
Over the last 20+ years, I have studied the impacts and management of transfers from KVH. KVH staff, particularly in the last 3+ years, have been very helpful in managing the request side of the process. We discussed a few ideas that may optimize this process. These include possibly having a HIPAA compliant data feed from the hospital to KVFR and KCHD 2 to improve situational awareness. That might also include a log in to iSpy which is an app that would allow hospital personnel an ability to see, in real time, the activity level for KVFR and KCHD 2. On-going assessment of transferred patients indicates a fairly low percentage who could/should be cared for at KVH.

The above address one leg of the triangle, arguably the strongest and least in need of attention. KVFR and KCHD2 represent the other two legs. We would like to initiate a phone call – early in the shift between the MSO or shift lead at KCHD 2 and KVFR Admin Captain. The shift leads would very briefly review the day – any significant events like rodeo or KCHD 2 moving a unit to Snoq Pass and the staffing levels. There are times when KCHD 2 does not have a second ALS unit etc...

Finally, we would like to discuss the concept of having KCHD 2 personnel contact the KVFR Admin Captain when transporting to KVH. This phone call would allow the KVFR officer to look at pending activity levels and perhaps, take advantage of the opportunity to have KCHD 2 take a transfer. Our discussion did not focus on necessarily increasing the number of transfers that KCHD 2 does for KVFR but rather taking advantage of the opportunities that present themselves to get ahead of the curve. Right now, KCHD 2 is generally contacted after KVFR's staffing is compromised in a way that may impact the next response. We would like to explore options that create less of those situations in a less impactful way for KCHD 2.

We want to schedule a meeting and recognize the impacts this may have on the bargaining units.

Rich Elliott – Deputy Fire Chief
Kittitas Valley Fire and Rescue
509-201-6280



Operations report to Hospital District #2 Board of Commissioners
August, 2019

Ancillary Service Operation Report:

- **Community Report**
The Community Report has been mailed out to Upper County residents.
- **Medic One Station 99**
KDA will provide an update later in the agenda
- **Rodeo Parade**
KVH would like to invite the Hospital District #2 Commissioners and Medic One staff to join us as we walk in the Rodeo Parade on August 31. If you are interested, please contact Kathryn Brunner at kbrunner@kvhealthcare.org and she will keep you updated regarding the plans for the day.
- **KVH Cle Elum PT**
I have received a resume for a physical therapist living in Cle Elum who wants to work for KVH. I am continuing to work on determining what FTE is needed to provide additional services and where we can expand.
- **Roslyn Farmer's Market**
KVH had a booth at the Roslyn Farmers Market on July 28, soliciting information from the community on specialty services that they feel are needed in our community and access to care. Results are summarized for you and are a combination of opinions from the Ellensburg Farmer's Market.
- **Family Medicine Cle Elum**
Approximately 2 weeks ago we experienced a plumbing back up from the front 2 restrooms in the lobby. The restrooms were out of service for about one week while repairs were made. The carpet has been cleaned and is scheduled to be replaced.

Respectfully submitted by Rhonda Holden, MSN, CENP

Summary of Ellensburg and Roslyn Farmer's Market July 27 & July 28

Access:

Are you able to see your local medical provider when you need to?

YES

Family Medicine Ellensburg	60
Internal Medicine	14
Family Medicine Cle Elum	12
Family Healthcare of Ellensburg	14
Community Health of Central Washington	7
Other	16

NO

They are never available	
The hours don't work for me	
The locations don't work	
Other (insurance coverage – both patients we were able to tell them we accept their insurance at KVH locations)	2

Primary Care:

Do you have a Primary Care Provider?

YES

in Ellensburg	89
in Cle Elum	20
in Yakima	2
in Seattle	7
Other	8

NO

I don't know how to find one	
I don't need one	
I can't afford one	
I'm not comfortable with local options	
Other (These were patients who don't live in the area and do not have one. One individual lives in 3 states, is 71 and has never seen a physician. Another one lives in Arizona and here part time and not Medicare so coverage is not available here.)	7

Summary of Ellensburg and Roslyn Farmer's Market July 27 & July 28

Specialty Services:

What specialty services should we work on bringing to Kittitas County?

Ear/Nose/Throat	21%
Cardiology	17%
Rheumatology	14%
Podiatry	11%
Urology	5%
Other	32%

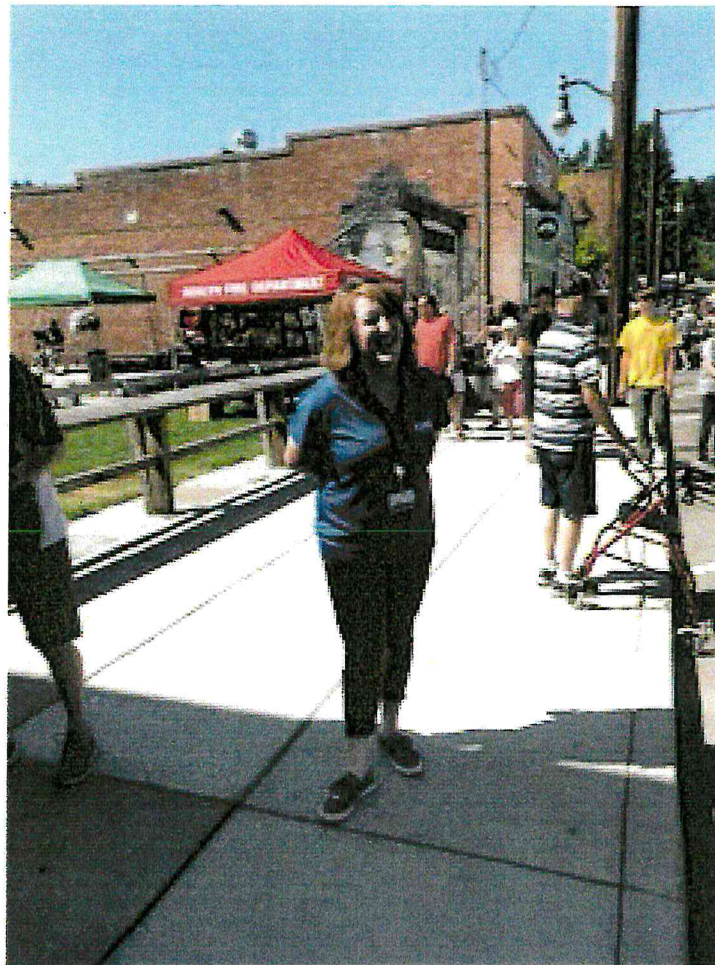
Other includes: Endocrinology, Mental Health, Denturist, Neurology, Allergist, Hand specialist, Gerontology, children pulmonologist

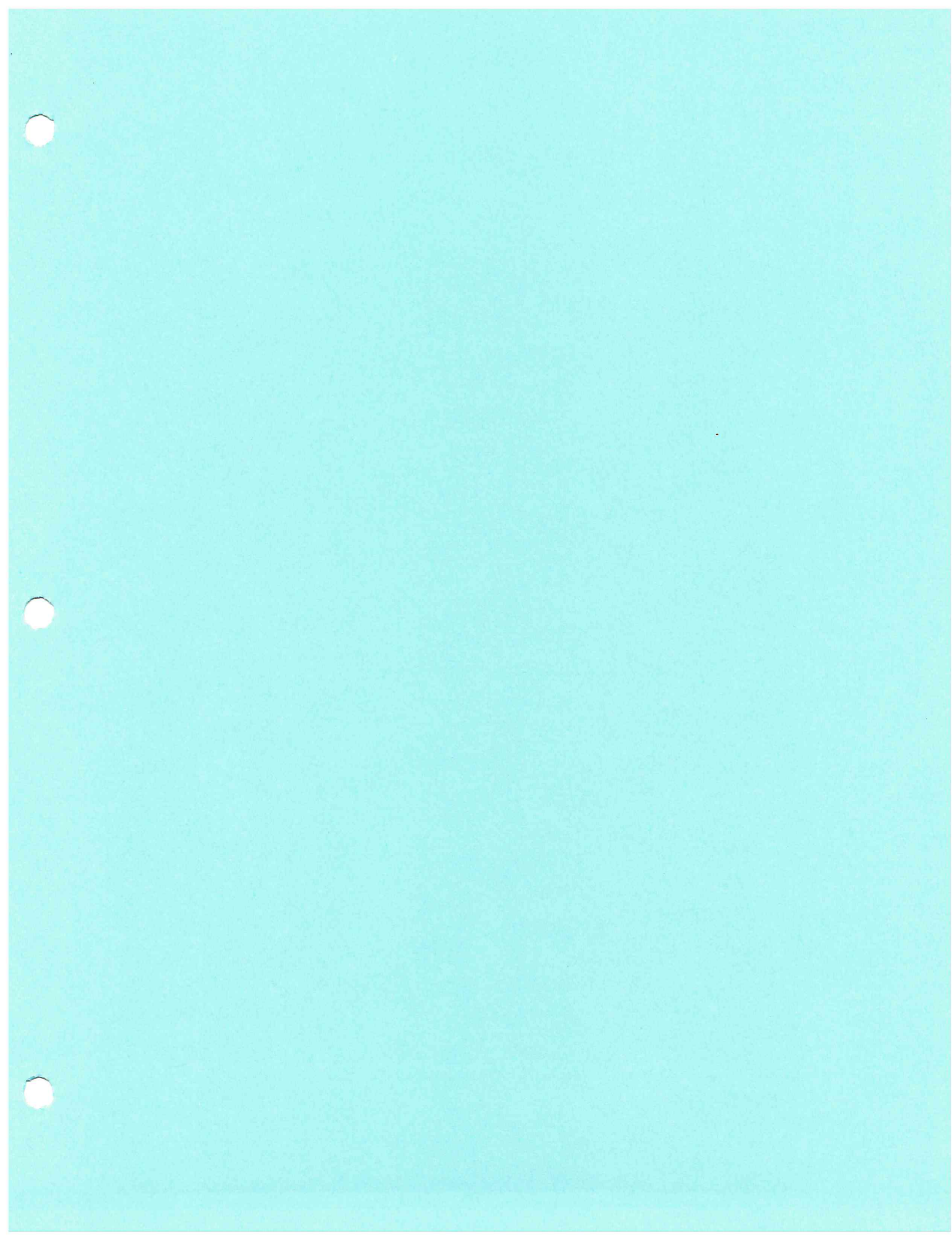
Convenience:

What is your preferred time for routine medical appointments?

Before 8:00am	31%
Between 8:00am – 4:30pm	48%
After 5:00pm	20%

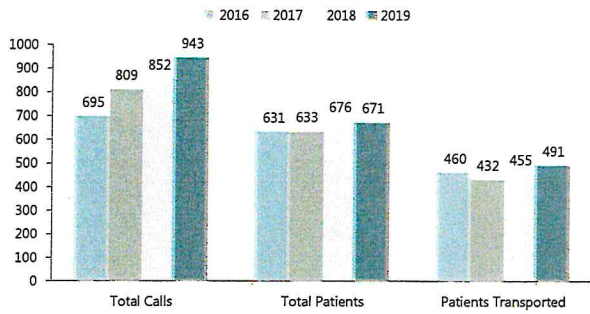




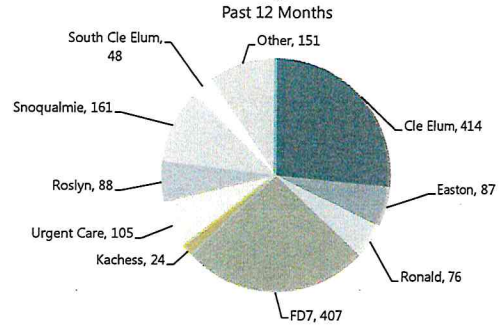


Kittitas County Public Hospital District No. 2

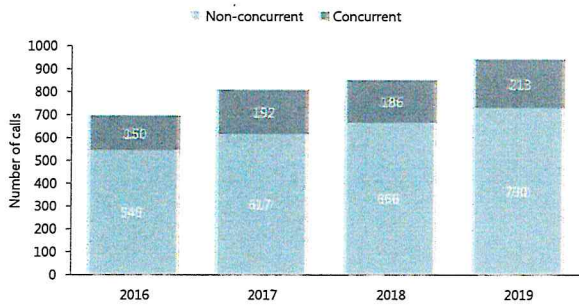
Volumes, YTD



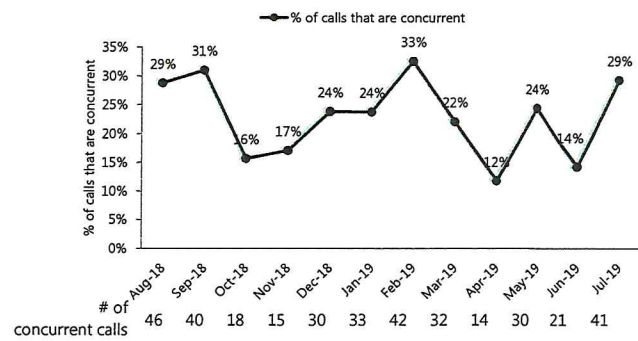
Calls by Zone



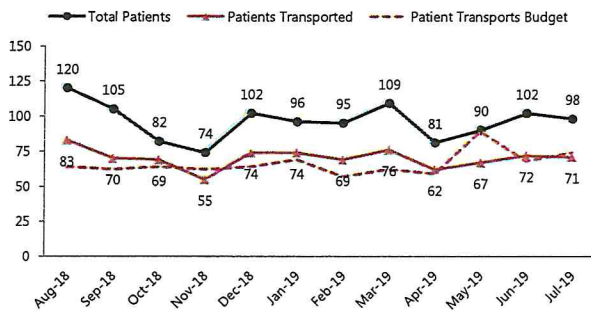
Concurrent Calls, YTD



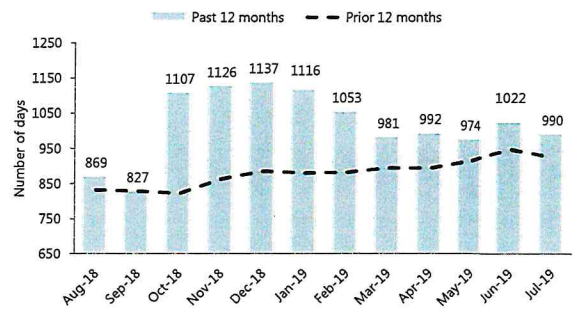
Concurrent Calls



Patients and Transports



Days Cash on Hand



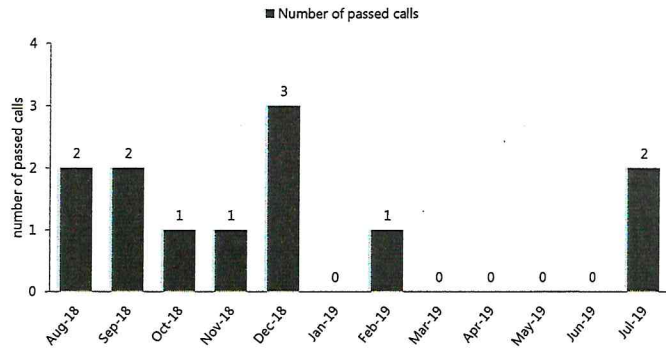
Kittitas County Public Hospital District No. 2

Turnout Time - Dispatch to Enroute

07/01/2018 to 06/30/2019

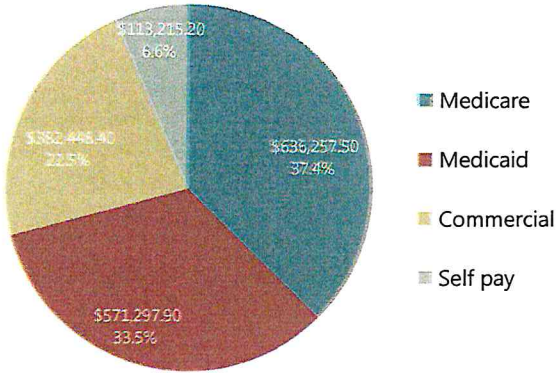
Apparatus	Responses	Turnout Time
A511 (CEFD)	3	5:03
<i>CEFD Overall</i>	<i>3</i>	<i>5:03</i>
A721 (FD7)	2	0:04
A731 (FD7)	3	1:58
A761 (FD7)	1	10:23
A931 (FD7)	3	1:35
<i>FD7 Overall</i>	<i>9</i>	<i>2:21</i>
M931(HD2)	611	2:22
M991 (HD2)	812	1:58
M992 (HD2)	21	3:13
<i>HD2 Overall</i>	<i>1444</i>	<i>2:09</i>

Passed Calls



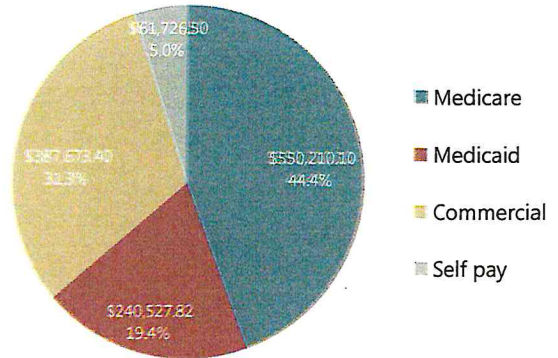
Payor Mix by Charges

04/01/2018 to 03/31/2019



Payor Mix by Charges

04/01/2017 to 03/31/2018



Kittitas Valley Community Hospital District #2
Statement of Revenue and Expense

	70	74	(4)	490	478	12	455
MEDICAL BILLABLE RUNS	2,046	1,841	205	2,076	1,995	81	1,732
AVERAGE CHARGE PER RUN							
	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	5,798	2,840	2,958	45,820	19,880	25,940	19,493
RENTAL INCOME	22,769	22,769	0	163,152	163,140	12	167,999
OTHER OPERATING REVENUE	0	0	0	3,266	0	3,266	2,222
AMBULANCE REVENUE	143,201	136,237	6,964	1,017,438	953,656	63,782	788,065
TOTAL REVENUE	171,767	161,846	9,922	1,229,675	1,136,676	93,000	977,778
CONTRACTUAL ADJUSTMENTS	(30,448)	50,451	(80,899)	279,294	353,158	(73,864)	290,284
BAD DEBT	3,702	6,655	(2,953)	38,498	46,579	(8,081)	35,075
CHARITY CARE	0	945	(945)	2,687	6,616	(3,929)	7,643
DEDUCTIONS FROM REVENUE	(26,746)	58,051	(84,797)	320,478	406,353	(85,875)	333,002
NET OPERATING REVENUE	198,514	103,795	94,719	909,197	730,323	178,874	644,776
SALARIES AND WAGES	89,532	77,499	12,033	561,155	542,493	18,661	491,928
EMPLOYEE BENEFITS	47,727	24,526	23,201	203,239	171,687	31,552	149,199
PROFESSIONAL FEES	0	8,649	(8,649)	12,739	73,555	(60,816)	26,490
SUPPLIES	8,738	13,416	(4,678)	82,785	90,392	(7,607)	67,163
UTILITIES	3,369	2,592	777	17,714	18,140	(426)	16,818
PURCHASED SERVICES	17,076	19,849	(2,773)	147,453	154,959	(7,506)	131,164
CEUCC SUBSIDY EXPENSE	15,316	15,316	0	107,211	107,211	(0)	0
DEPRECIATION	28,145	29,477	(1,333)	178,953	206,338	(27,385)	177,841
INSURANCE	1,959	2,275	(316)	14,200	15,925	(1,725)	14,075
LICENSES AND TAXES	2,238	2,044	194	9,941	14,303	(4,361)	10,933
INTEREST EXPENSE	12,226	12,445	(219)	87,625	87,119	506	86,875
TRAVEL AND EDUCATION	880	4,375	(3,495)	6,012	13,275	(7,263)	7,916
OTHER DIRECT EXPENSES	734	333	401	5,732	4,635	1,097	1,771
EXPENSES	227,939	212,796	15,143	1,434,759	1,500,032	(65,274)	1,182,174
OPERATING INCOME (LOSS)	(29,425)	(109,002)	79,576	(525,562)	(769,710)	244,148	(537,397)
TAX LEVY INCOME	112,803	111,946	857	800,849	781,375	19,474	768,627
NON-OPERATING BOND ISSUE CC	0	0	0	0	0	0	0
NET INCOME (LOSS)	83,377	2,944	80,433	275,288	11,666	263,622	231,229
DAYS CASH ON HAND	990.0						
AR DAYS	71.0						
CURRENT RATIO	12.90						
COMMITTED CAPITAL FUNDS:							
2019 AMBULANCE	0.00						
2020 AMBULANCE	255,000						
AMBULANCE GARAGE	4,100,000						
TOTAL COMMITTED FUNDS	4,355,000.00						
DAYS CASH AFTER COMMITTED	259.0						

Kittitas Valley Community Hospital District #2
Statement of Revenue and Expense

	70	74	(4)	490	478	12	455
AVERAGE CHARGE PER RUN	2,046	1,841	205	2,076	1,995	81	1,732
	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	0	0	0	0	0	0	0
RENTAL INCOME	0	0	0	0	0	0	0
OTHER OPERATING REVENUE	0	0	0	2,766	0	2,766	0
AMBULANCE REVENUE	143,201	136,237	6,964	1,017,438	953,656	63,782	788,065
TOTAL REVENUE	143,201	136,237	6,964	1,020,204	953,656	66,548	788,065
CONTRACTUAL ADJUSTMENTS	(30,448)	50,451	(80,899)	279,294	353,158	(73,864)	290,284
BAD DEBT	3,702	6,655	(2,953)	38,498	46,579	(8,081)	35,075
CHARITY CARE	0	945	(945)	2,687	6,616	(3,929)	7,643
DEDUCTIONS FROM REVENUE	(26,746)	58,051	(84,797)	320,478	406,353	(85,875)	333,002
NET OPERATING REVENUE	169,947	78,186	91,761	699,725	547,303	152,422	455,063
SALARIES AND WAGES	87,932	77,267	10,665	559,157	540,869	18,288	490,210
EMPLOYEE BENEFITS	47,602	24,526	23,076	203,054	171,687	31,367	149,199
PROFESSIONAL FEES	0	0	0	0	0	0	0
SUPPLIES	8,738	13,358	(4,620)	82,700	89,982	(7,283)	67,023
UTILITIES	3,185	2,375	810	16,594	16,625	(31)	15,782
PURCHASED SERVICES	10,795	13,769	(2,974)	97,870	103,534	(5,664)	81,922
CEUCC SUBSIDY EXPENSE	0	0	0	0	0	0	0
DEPRECIATION	14,168	15,810	(1,643)	83,367	110,673	(27,306)	81,935
INSURANCE	523	575	(52)	3,510	4,025	(515)	2,323
LICENSES AND TAXES	2,238	2,044	194	9,941	14,303	(4,361)	0
INTEREST EXPENSE	0	0	0	0	0	0	0
TRAVEL AND EDUCATION	486	4,025	(3,539)	4,956	12,575	(7,619)	7,916
OTHER DIRECT EXPENSES	374	0	374	1,606	2,300	(694)	540
EXPENSES	176,040	153,749	22,291	1,062,754	1,066,572	(3,818)	896,850
OPERATING INCOME (LOSS)	(6,093)	(75,563)	69,470	(363,029)	(519,269)	156,240	(441,787)
TAX LEVY INCOME	56,096	54,215	1,881	394,118	379,509	14,609	377,741
NON-OPERATING BOND ISSUE C	0	0	0	0	0	0	0
NET INCOME (LOSS)	50,003	(21,348)	71,351	31,088	(139,760)	170,849	(64,046)

Kittitas Valley Community Hospital District #2
Statement of Revenue and Expense

	Current Month			Year to Date			Prior
	Actual	Budget	Variance	Actual	Budget	Variance	YTD
INTEREST INCOME	5,798	2,840	2,958	45,820	19,880	25,940	19,493
RENTAL INCOME	22,769	22,769	0	163,152	163,140	12	167,999
OTHER OPERATING REVENUE	0	0	0	500	0	500	2,222
AMBULANCE REVENUE	0	0	0	0	0	0	0
TOTAL REVENUE	28,566	25,609	2,958	209,472	183,020	26,452	189,714
CONTRACTUAL ADJUSTMENTS	0	0	0	0	0	0	0
BAD DEBT	0	0	0	0	0	0	0
CHARITY CARE	0	0	0	0	0	0	0
DEDUCTIONS FROM REVENUE	0	0	0	0	0	0	0
NET OPERATING REVENUE	28,566	25,609	2,958	209,472	183,020	26,452	189,714
SALARIES AND WAGES	1,600	232	1,368	1,998	1,625	373	1,718
EMPLOYEE BENEFITS	125	0	125	185	0	185	0
PROFESSIONAL FEES	0	8,649	(8,649)	12,739	73,555	(60,816)	26,490
SUPPLIES	0	58	(58)	85	410	(325)	140
UTILITIES	184	217	(33)	1,120	1,515	(395)	1,037
PURCHASED SERVICES	6,281	6,080	201	49,583	51,425	(1,842)	49,243
CEUCC SUBSIDY EXPENSE	15,316	15,316	0	107,211	107,211	(0)	0
DEPRECIATION	13,977	13,667	310	95,587	95,665	(78)	95,906
INSURANCE	1,436	1,700	(264)	10,690	11,900	(1,210)	11,753
LICENSES AND TAXES	0	0	0	0	0	0	10,933
INTEREST EXPENSE	12,226	12,445	(219)	87,625	87,119	506	86,875
TRAVEL AND EDUCATION	394	350	44	1,056	700	356	0
OTHER DIRECT EXPENSES	360	333	27	4,126	2,335	1,791	1,231
EXPENSES	51,899	59,047	(7,148)	372,004	433,460	(61,456)	285,324
OPERATING INCOME (LOSS)	(23,332)	(33,438)	10,106	(162,533)	(250,440)	87,908	(95,610)
TAX LEVY INCOME	56,707	57,731	(1,024)	406,732	401,867	4,865	390,885
NON-OPERATING BOND ISSUE CC	0	0	0	0	0	0	0
NET INCOME (LOSS)	33,375	24,293	9,082	244,199	151,426	92,773	295,275
DAYS CASH ON HAND	990.0						
AR DAYS	71.0						
CURRENT RATIO	12.90						
COMMITTED CAPITAL FUNDS:							
2019 AMBULANCE	0						
2020 AMBULANCE	255,000						
AMBULANCE GARAGE	4,100,000						
TOTAL COMMITTED FUNDS	4,355,000						
DAYS CASH AFTER COMMITTED	259.0						

Kittitas County Hospital Dist 2

Balance Sheet

	<u>Year to Date</u>	<u>Prior Year End</u>	<u>Change</u>
CASH	3,619,341	3,736,723	(117,382)
ACCOUNTS RECEIVABLE	308,269	189,746	118,523
TAXES RECEIVABLE	604,749	54,634	550,115
PREPAIDS	37,094	4,078	33,016
INVESTMENTS	2,276,877	2,251,689	25,188
CURRENT ASSETS	6,846,331	6,236,871	609,460
LAND	843,524	843,524	0
PROPERTY, PLANT, & EQUIPMENT	6,447,180	6,182,141	265,039
ACCUMULATED DEPRECIATION	(3,217,699)	(3,038,746)	(178,953)
NON CURRENT ASSETS	4,073,005	3,986,920	86,085
DEFERRED OUTLOWS	104,300	104,300	0
ASSETS	11,023,636	10,328,091	695,545
ACCOUNTS PAYABLE	38,533	6,654	31,879
INTEREST PAYABLE	24,451	12,635	11,816
ACCRUED PAYROLL	30,544	28,890	1,655
ACCRUED BENEFITS	60,114	45,063	15,051
CEUCC SUBSIDY PAYABLE	107,211	180,186	(72,975)
CURRENT PORTION REVENUE BOND - LTGO	269,736	269,736	0
CURRENT LIABILITIES	530,589	543,164	(12,575)
LONG TERM REVENUE BOND - LTGO	4,055,877	4,189,608	(133,731)
NET PENSION LIABILITY	492,745	492,745	0
DEFERRED INFLOWS - PENSION	81,035	81,035	0
DEFERRED INFLOWS - LEVY	566,564	0	566,564
NONCURRENT LIABILITIES	5,196,221	4,763,388	432,832
LIABILITIES	5,726,810	5,306,552	420,258
NET INCOME (LOSS)	275,288	(0)	275,288
UNRESTRICTED FUND BALANCE	5,021,539	5,021,539	0
FUND BALANCE	5,296,826	5,021,539	275,288
TOTAL LIABILITIES AND NET POSITION	11,023,636	10,328,091	695,545

Kittitas County Hospital Dist 2

Statement of Cash Flows

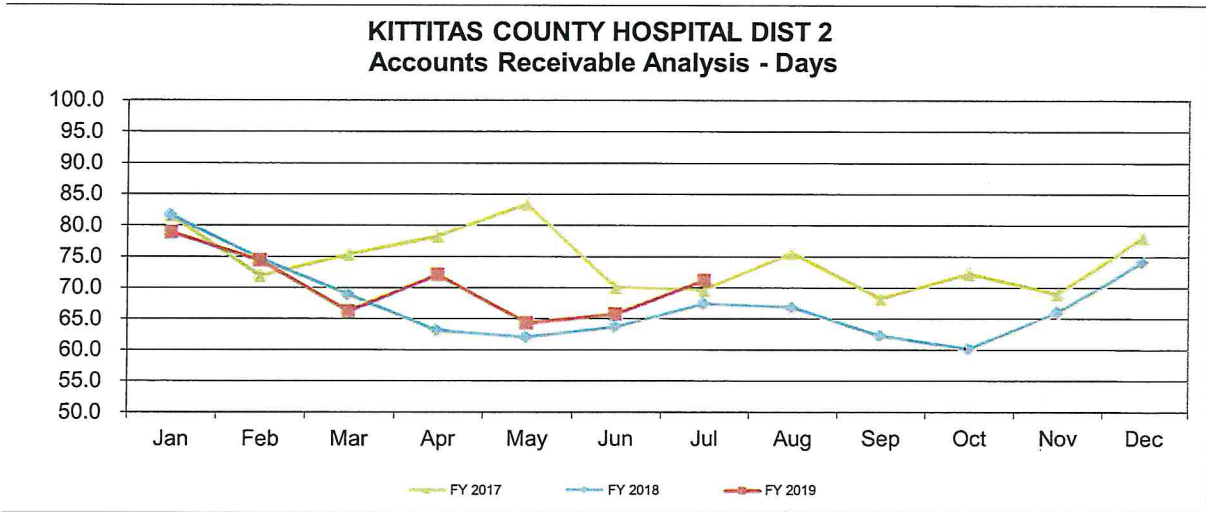
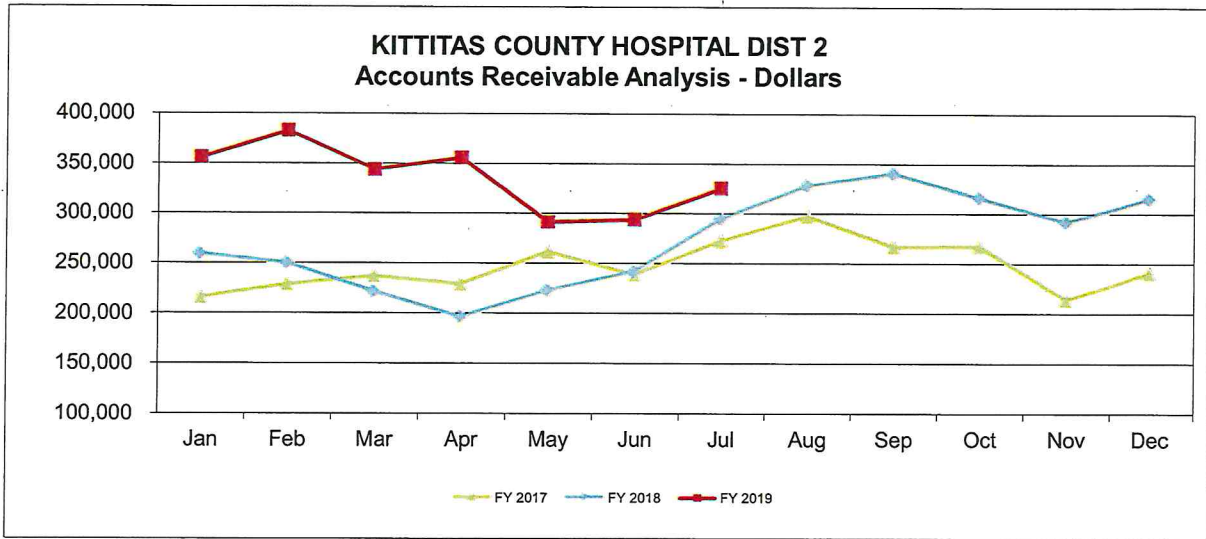
	<u>CASH</u>
NET BOOK INCOME	275,288
ADD BACK NON-CASH EXPENSE	
DEPRECIATION	178,953
NET CASH FROM OPERATIONS	454,241
CHANGE IN CURRENT ASSETS	
PATIENT ACCOUNTS AND OTHER RECEIVABLES	(118,523)
PROPERTY TAX RECEIVABLE	(550,115)
PREPAID EXPENSE	(33,016)
TOTAL CHANGE IN CURRENT ASSETS	(701,654)
PURCHASE OF PROPERTY, PLANT & EQUIPMENT	(265,039)
INCREASE IN INVESTMENTS	(25,188)
PROCEEDS FROM SALE/MATURITY OF INVESTMENTS	
TOTAL CHANGE IN ASSETS	(991,881)
CHANGES IN CURRENT LIABILITIES	
ACCOUNTS PAYABLE	31,879
INTEREST PAYABLE	11,816
ACCRUED PAYROLL	1,655
ACCRUED BENEFITS	15,051
CEUCC SUBSIDY PAYABLE	(72,975)
TOTAL CHANGE CURRENT LIABILITIES	(12,575)
PRINCIPLE PAYMENT ON REVENUE BOND	(133,731)
DEFERRED INFLOWS OF RESOURCES	566,564
NET CHANGE IN CASH	(117,382)
BEGINNING CASH ON HAND	3,736,723
ENDING CASH ON HAND	3,619,341



KITTITAS COUNTY HOSPITAL DIST 2
Accounts Receivable Analysis

HOSPITAL DISTRICT #2

SYS DESIGN EMS	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18	Sep-18	Aug-18
A/R Dollars	325,523	294,088	291,452	355,627	343,726	382,562	355,769	314,138	290,860	315,042	339,493	327,325
A/R Days	71	66	64	72	66	74	79	74	66	60	62	67





KITTITAS COUNTY HOSPITAL DIST 2

HOSPITAL DISTRICT #2

MONTH OF JULY 2019

ACCOUNTS PAYABLE WARRANTS/ EFTS TO BE APPROVED

CHECK DATE:

# 1 WARRANT NUMBERS:	10658-10697	NET AMOUNT:	\$44,940.34	1-Jul-19
# 2 WARRANT NUMBERS:	10698-10717	NET AMOUNT:	\$20,145.25	15-Jul-19
# 3 WARRANT NUMBERS:	10718-10739	NET AMOUNT:	\$45,394.40	30-Jul-19
# 4 WARRANT NUMBERS:	10740	NET AMOUNT:	\$4,281.08	31-Jul-19
			<hr/>	
			\$114,761.07	

PAYROLL WARRANTS / EFTS TO BE APPROVED

PPE 07-06-19	NET AMOUNT:	\$25,587.34	12-Jul-19
PPE 07-20-19	NET AMOUNT:	\$26,944.42	26-Jul-19
		<hr/>	
		\$52,531.76	

TOTAL NET WARRANTS & EFT'S

\$167,292.83

Upper Kittitas County Public Hospital District #2
 Detailed Statement of Accounts Payable Transactions
 Month of July 2019



Account Class	Check No	Vendor	Amount
Balance Sheet	10734	KITTCOM	11,244.08
	10709	KDA ARCHITECTURE INC	732.50
	10740	DEPARTMENT OF REVENUE-EXCISE	18.31
	10740	DEPARTMENT OF REVENUE-EXCISE	(0.01)
	10730	EMPLOYMENT SECURITY DEPARTMENT	602.07
	10726	DEPARTMENT OF LABOR & INDUSTRIES	3,528.73
	10658	AFLAC	817.59
	10718	AFLAC	817.59
	10678	IAFF 4880	1,216.00
	10732	IAFF 4880	1,190.00
	10672	DEPARTMENT OF RETIREMENT SYSTEMS	366.00
	10673	DEPARTMENT OF RETIREMENT SYSTEMS	2,891.20
	10704	DEPARTMENT OF RETIREMENT SYSTEMS	366.00
	10705	DEPARTMENT OF RETIREMENT SYSTEMS	3,091.70
	10727	DEPARTMENT OF RETIREMENT SYSTEMS	366.00
	10728	DEPARTMENT OF RETIREMENT SYSTEMS	3,159.90
Employee Benefits	10660	BENEFIT SOLUTIONS, INC.	825.00
	10661	BENEFIT SOLUTIONS, INC.	15,885.02
	10719	BENEFIT SOLUTIONS, INC.	825.00
	10720	BENEFIT SOLUTIONS, INC.	15,885.02
	10722	BPAS-VEBA	72.00
	10722	BPAS-VEBA	90.00
	10722	BPAS-VEBA	72.00
	10722	BPAS-VEBA	90.00
	10674	DIMARTINO ASSOCIATES	100.58
	10729	DIMARTINO ASSOCIATES	100.58
	10673	DEPARTMENT OF RETIREMENT SYSTEMS	1,898.01
	10705	DEPARTMENT OF RETIREMENT SYSTEMS	2,011.49
	10728	DEPARTMENT OF RETIREMENT SYSTEMS	2,337.08
Professional Fees	10675	DINGUS ZARECOR & ASSOC PLLC	500.00
	10687	MENKE JACKSON BEYER LLP	125.00
Supplies	10662	BOUND TREE MEDICAL LLC	51.29
	10663	CARDINAL HEALTH 112, LLC	230.34
	10663	CARDINAL HEALTH 112, LLC	31.47
	10663	CARDINAL HEALTH 112, LLC	32.18
	10663	CARDINAL HEALTH 112, LLC	3.14
	10663	CARDINAL HEALTH 112, LLC	72.93
	10663	CARDINAL HEALTH 112, LLC	45.57
	10685	KITTITAS VALLEY HEALTHCARE	531.56

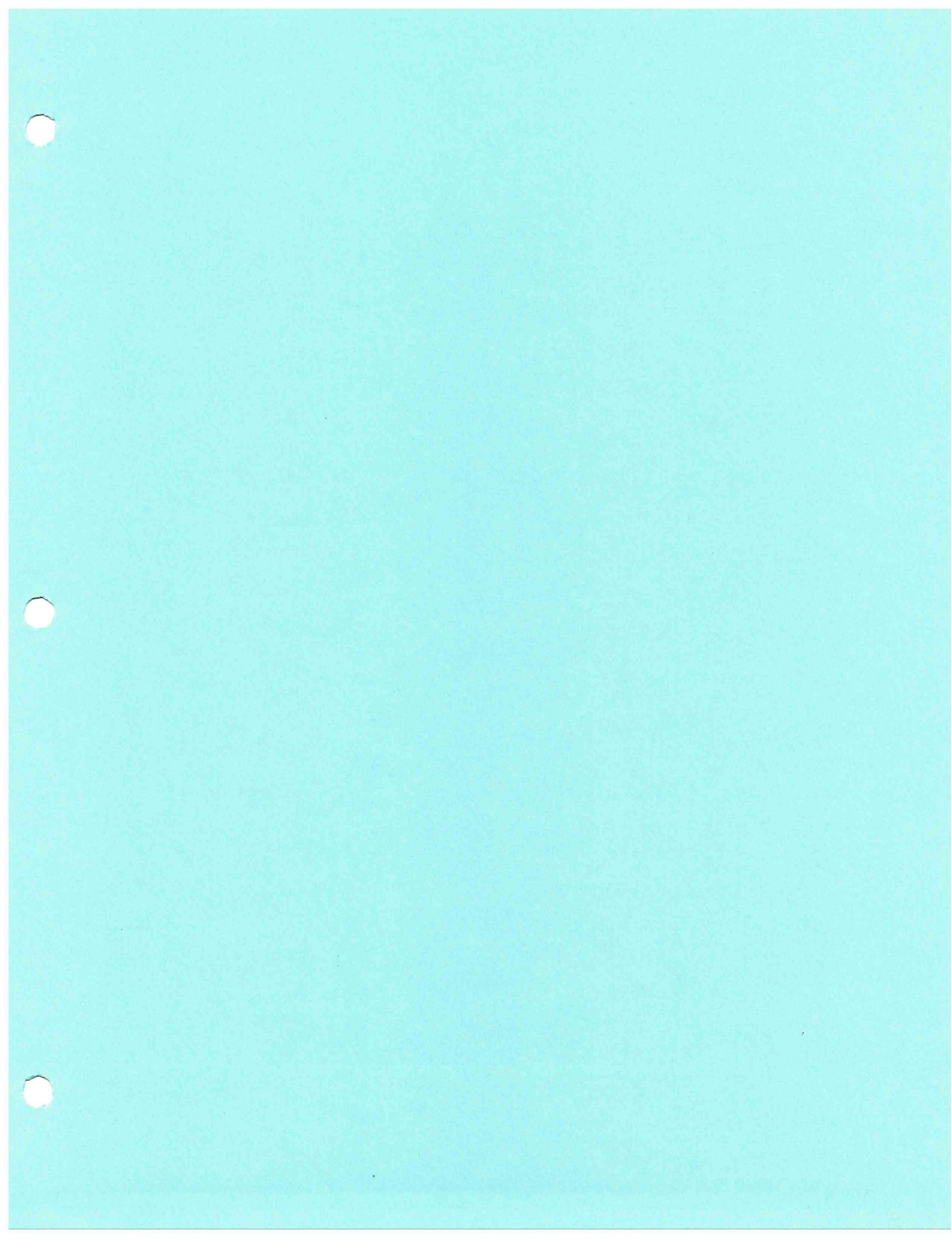
10685	KITTITAS VALLEY HEALTHCARE	1,437.50
10686	LIFE ASSIST, INC.	2,388.19
10686	LIFE ASSIST, INC.	468.42
10686	LIFE ASSIST, INC.	127.33
10686	LIFE ASSIST, INC.	162.01
10686	LIFE ASSIST, INC.	276.48
10699	BOUND TREE MEDICAL LLC	34.34
10700	CARDINAL HEALTH 112, LLC	238.53
10710	KITTITAS VALLEY HEALTHCARE	225.00
10711	LIFE ASSIST, INC.	213.01
10711	LIFE ASSIST, INC.	108.11
10711	LIFE ASSIST, INC.	190.86
10723	CARDINAL HEALTH 112, LLC	367.00
10736	LIFE ASSIST, INC.	252.50
10677	GEOFF SCHERER	43.71
10691	OXARC INC	99.60
10691	OXARC INC	182.48
10691	OXARC INC	7.58
10691	OXARC INC	133.48
10714	OXARC INC	117.34
10668	CLE ELUM HARDWARE & RENTAL	86.31
10669	COLE GRAVEL	145.00
10680	INTERMOUNTAIN	10.79
10680	INTERMOUNTAIN	17.24
10680	INTERMOUNTAIN	8.62
10689	NORTHERN KITTITAS CO TRIBUNE	19.38
10689	NORTHERN KITTITAS CO TRIBUNE	4.74
10689	NORTHERN KITTITAS CO TRIBUNE	26.99
10689	NORTHERN KITTITAS CO TRIBUNE	51.92
10689	NORTHERN KITTITAS CO TRIBUNE	23.76
10697	WAPITI OFFICE	20.02
10698	AMAZON	26.01
10698	AMAZON	100.87
10698	AMAZON	35.62
10725	CLE ELUM HARDWARE & RENTAL	64.69
10725	CLE ELUM HARDWARE & RENTAL	3.52
10737	NORTHERN KITTITAS CO TRIBUNE	12.63
10664	CAS DATALOGGERS	228.84
10676	GALLS, LLC	65.34
10676	GALLS, LLC	107.98
10676	GALLS, LLC	42.12
10676	GALLS, LLC	128.50
10706	GALLS, LLC	114.38
10706	GALLS, LLC	124.10
10706	GALLS, LLC	59.35
10706	GALLS, LLC	42.12
10682	JAMES OIL CO., INC.	972.80

Utilities

10682	JAMES OIL CO., INC.	934.99
10694	STATE DEPARTMENT OF TRANSPORTATION	1,603.70
10708	JAMES OIL CO., INC.	867.16
10738	STATE DEPARTMENT OF TRANSPORTATION	1,779.29
10665	CENTURYLINK	111.55
10696	VERIZON	475.29
10712	MCI	35.18
10717	VERIZON	1,240.72
10679	INLAND NETWORKS	93.51
10679	INLAND NETWORKS	157.00
10707	INLAND NETWORKS	93.51
10707	INLAND NETWORKS	157.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10692	PUGET SOUND ENERGY	12.48
10692	PUGET SOUND ENERGY	199.01
10692	PUGET SOUND ENERGY	69.90
10692	PUGET SOUND ENERGY	28.36
10715	PUGET SOUND ENERGY	28.48
10735	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10666	CITY OF CLE ELUM	108.60
10666	CITY OF CLE ELUM	103.76
10666	CITY OF CLE ELUM	478.49
10695	STATE OF WA DEPT OF ECOLOGY	54.00
10667	CITY OF CLE ELUM FIRE DEPARTMENT	200.00
10681	JACKSON HORSLEY	400.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	240.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	400.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10684	KITTITAS COUNTY FIRE DISTRICT #7	200.00
10690	OPEN DOOR HEALTH CLINIC	2,200.00
10701	CITY OF CLE ELUM FIRE DEPARTMENT	50.00
10724	CITY OF CLE ELUM FIRE DEPARTMENT	200.00
10724	CITY OF CLE ELUM FIRE DEPARTMENT	200.00
10733	JOHN STORCH	240.00
10735	KITTITAS COUNTY FIRE DISTRICT #7	270.00
10710	KITTITAS VALLEY HEALTHCARE	5,430.43
10710	KITTITAS VALLEY HEALTHCARE	2,021.04
10739	YAKIMA ADJUSTMENT SERVICE INC	627.34
10716	SYSTEMS DESIGN	1,768.45
10668	CLE ELUM HARDWARE & RENTAL	48.57
10668	CLE ELUM HARDWARE & RENTAL	41.00

Purchased Services

	10670	COMMERCIAL LIGHTING	305.37
	10698	AMAZON	45.02
	10698	AMAZON	39.20
	10698	AMAZON	16.42
	10698	AMAZON	55.39
	10725	CLE ELUM HARDWARE & RENTAL	23.74
	10659	ALL CITY GLASS, LLC	332.80
	10688	MICROSOFT	427.94
Licenses & Taxes	10740	DEPARTMENT OF REVENUE-EXCISE	4,262.78
Travel & Education	10683	KEVIN NICHOLSON	502.62
	10702	COLE GRAVEL	142.96
	10703	DAKODA FENTER	142.96
	10721	BETH WILLIAMS	200.00
	10731	FLOYD ROGALSKI	393.64
	10677	GEOFF SCHERER	90.48
	10677	GEOFF SCHERER	95.12
	10693	SCOTT OLANDER	32.48
Other Direct Expenses	10671	DAILY RECORD	61.81
	10671	DAILY RECORD	30.90
	10689	NORTHERN KITTITAS CO TRIBUNE	30.60
	10689	NORTHERN KITTITAS CO TRIBUNE	180.00
	10689	NORTHERN KITTITAS CO TRIBUNE	180.00
	10713	NORTHERN KITTITAS CO TRIBUNE	180.00
	10737	NORTHERN KITTITAS CO TRIBUNE	180.00
			<u>114,761.07</u>



Construction Cost Breakdown
 and Specifications



Lot;	505 Power Street Cle Elum	Plan	2,100	Job	Kittitas County Hospital District #2 Garage door expansion
Ph.	Description of Work	Sq Ft	% of Total	Budget	Notes
1	Architectural	\$ -	0%		
2	Building Permit	\$ -	0%		N/A Pole building construction, no structural change
3	Water Meter	\$ -	0%		
4	Site Prep & Demo	\$ 0.25	11%	\$525.00	Remove framing, metal, existing garage door and exiting ventilation ducting to allow for 10x11 door
5	Excav./Final Grade	\$ -	0%		
6	Foundation	\$ -	0%		
7	Metal Fab	\$ -	0%		
8	Trusses	\$ -	0%		
9	Framing Material	\$ 0.05	2%	\$95.00	Necessary materials to make opening taller for new 10x11 door
10	Framing Hardware	\$ 0.04	2%	\$75.00	
13	Framing Labor	\$ 0.07	3%	\$160.00	
14	Roofing	\$ -	0%		
15	Plumbing	\$ -	0%		
16	Under Slab Insulation	\$ -	0%		
17	Flatwork L/M	\$ -	0%		
18	Asphalt	\$ -	0%		
19	Garage Door @ Opener	\$ 0.75	35%	\$1,585.00	New CHI M3285 10x11 Insulated door with 12R Track Torsion.
20	Waterproofing	\$ -	0%		
21	Windows/Skylights	\$ -	0%		
22	Heating	\$ -	0%		
23	Electrical	\$ -	0%		
24	Exterior Doors/Locks	\$ -	0%		
25	Siding & Exterior Trim	\$ 0.50	23%	\$1,050.00	Labor and materials for new cedar wrap for larger opening, metal flashing and metal trim pieces
26	Ext. Decks & Railing	\$ -	0%		
27	Insulation	\$ -	0%		
28	Drywall	\$ 0.31	14%	\$650.00	Patch drywall where necessary around new garage door opening
29	Painting	\$ 0.10	5%	\$210.00	Labor and materials to paint new garage wrap and necessary drywall patches
30	Gutter & Downspouts	\$ -	0%		
31	Int. T&G Ceiling	\$ -	0%		
32	Millwork	\$ -	0%		
33	Int. Doors & Jambs	\$ -	0%		
34	Int. Door Hardware	\$ -	0%		
35	Septic System	\$ -	0%		
36	Finish Labor	\$ -	0%		
37	Cabinets	\$ -	0%		
38	Hardwood	\$ -	0%		
39	Tile	\$ -	0%		
40	Vinyl	\$ -	0%		
41	Plastic Laminate	\$ -	0%		
42	Carpet & Pad	\$ -	0%		
43	Shower Doors	\$ -	0%		
44	Mirrors	\$ -	0%		

Construction Cost Breakdown
and Specifications

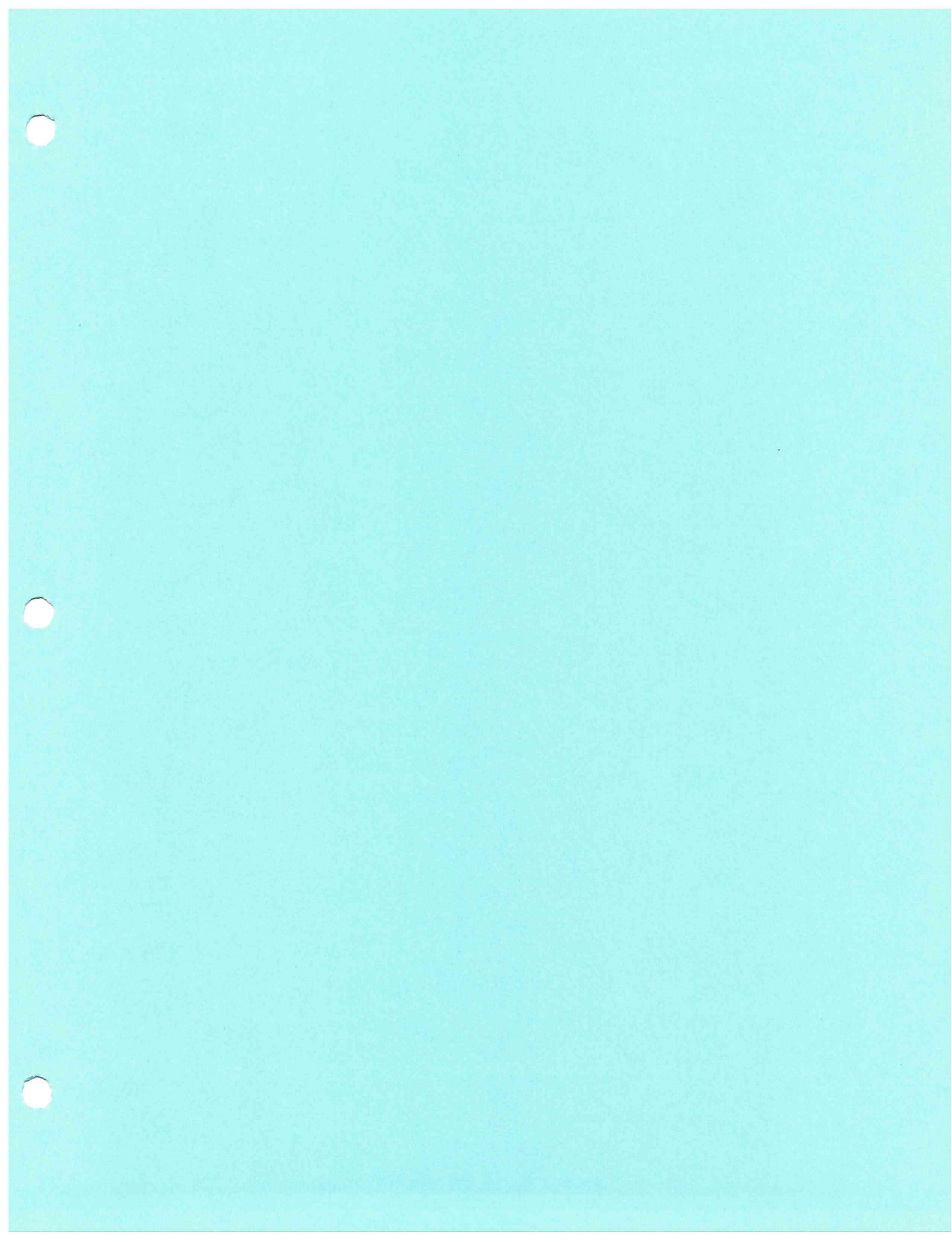
Presented by: Inland Construction Group
Devin Casto (509) 201-0841
inlandconstgroup@gmail.com

Presented to:

Ph. Description of Work	Sq Ft	% of Total	Budget	Notes
45 Light Fixtures	\$ -	0%		
46 Appliances	\$ -	0%		
47 Finish Hardware	\$ -	0%		
48 Closet System	\$ -	0%		
49 Portable Toilet	\$ -	0%		
50 Disposal of Debris	\$ -	0%		
51 Power Service	\$ -	0%		
52 Utilities	\$ -	0%		
53 Landscaping	\$ -	0%		
54 Fencing	\$ -	0%		
55 General Labor	\$ -	0%		
56 Snow Removal	\$ -	0%		
57 Pick Up Detail	\$ -	0%		
58 Supervision	\$ 0.12	5%	\$250.00	
59 Warranty/Insurance	\$ -	0%		
60 Administrative	\$ -	0%		
61 Rockeries	\$ -	0%		
62 Final Clean	\$ -	0%		
63 Finish Supplies	\$ -	0%		
Sub Total			\$4,590.00	
Profit & Overhead		18%	\$826.20	
Sales Tax		8.0%	\$433.30	
Total Selling Price			\$5,849.50	

Any and all unforeseen work will be billed @ \$65 per man hour and have P&O added.
Snow Removal \$95 per hour for machine time - \$55 per hour for labor.

Contractor Devin Casto Date _____ Owner _____ Date _____



AMENDMENT TO SERVICES AGREEMENT

This Amendment to Services Agreement (this “**Amendment**”) is entered into as of September 1, 2019 (the “**Effective Date**”), by and between Kittitas County Public Hospital District No. 1 (“**District 1**”) and Kittitas County Public Hospital District No. 2 (“**District 2**”). The parties entered into that certain Services Agreement dated October 30, 2002 (together with all amendments, restatements, renewals, replacements, supplements and other modifications thereto, the “**Original Agreement**”). This Amendment seeks to modify specific provisions of the Original Agreement to allow District 1 to acquire real property within the legal boundaries of District 2 for the purpose of continuing to provide medical services to residents of District 2.

RECITALS

A. Each District is a Washington municipal corporation operating in Kittitas County and is organized under state law to operate health care facilities and provide medical services to District residents and other persons.

B. District 1 owns and operates health care facilities in Ellensburg, Washington, including Kittitas Valley Healthcare, and District 2 owns and operates an ambulance service in Cle Elum, Washington, and certain real estate and other assets useful to the provision of health care and life support services.

C. The parties entered into the Original Agreement for the purpose of leveraging District 1’s experience operating clinics and providing other medical services.

D. The Original Agreement allowed District 1 to operate a Primary Care Clinic and Urgent Care Service within the legal boundaries of District 2. In accordance with the Original Agreement and pursuant to that certain Lease dated November 1, 2002, by and between District 2, as Lessor, and District 1, as Lessee (together with all amendments, restatements, renewals, replacements, supplements and other modifications thereto, the “**Original Lease**”), District 2 leased to District 1 certain premises commonly known as 505 Power Street, Cle Elum, Washington 98922. District 1 has operated a Primary Care Clinic and provided other medical services including Urgent Care Service within the leased premises.

E. The parties have successfully grown and expanded the medical services provided by District 1 within the legal boundaries of District 2. The nature and volume of the medical services being provided now and in the future necessitate District 1’s expansion into additional space.

F. Pursuant to that certain Lease Agreement dated October 6, 2017, by and between Swedish Health Services, a Washington nonprofit corporation, as Lessor (“**SHS**”), and District 1, as Lessee (the “**Swedish Lease**”), District 1 leased from SHS certain premises located within the boundaries of District 2, commonly known as 214 W. 1st Street, Cle Elum, Washington 98922 and as legally described in the Swedish Lease (the “**Building**”). The Swedish Lease

commenced on December 1, 2017, and from and after that date District 1 has provided Urgent Care Service in the Building.

G. The Swedish Lease grants District 1 a right of first refusal to purchase the Building in the event that SHS makes its interest in the Building available for sale during the term or any extended term of the Swedish Lease, as more fully set forth therein. SHS has indicated to District 1 its willingness to sell the Building to District 1 and District 1 desires to pursue the potential purchase of the Building.

H. District 2 supports District 1's efforts to purchase the Building for the purpose of District 1 continuing to provide Urgent Care Service and other medical services in the Building.

Now, therefore, in consideration of the covenants set forth herein, the parties agree as follows:

AGREEMENT

1. **District 1's Purchase of the Building.** District 1 has entered into negotiations with SHS to purchase the Building with the intent to continue to provide Urgent Care Service and other medical services in the Building. District 2 acknowledges and approves of District 1's efforts to purchase the Building and shall cooperate in good faith with District 1 and SHS in furtherance of this goal.

2. **District 2's Right of First Refusal.** In the event District 1 purchases the Building from SHS, District 1 hereby grants District 2 a right of first refusal to purchase the Building in the event that District 1 makes its interest in the Building available for purchase. District 2 shall have 120 days to purchase the Building from District 1 at the fair market value of the Building as determined between the parties at the time of purchase.

3. **Capital Gain Allocation.** In the event that, in the future, District 1 makes the Building available for purchase and District 2 declines to exercise its right of first refusal, District 2 shall participate in a portion of gains realized by District 1 by the sale of the Building. The formula for distribution shall deduct from the future sales price the following items: (a) the original gross purchase price paid by District 1 for the Building; (b) the costs of all major capital repairs, upgrades and improvements made by District 1 including expansion; and (c) the customary fees, commissions, excise and other taxes and assessments incurred by District 1 in the future sale transaction. If a gain results from the future sale, District 1 shall retain seventy percent (70%) of the gain and remit the remaining thirty percent (30%) to District 2.

4. **No Further Modification.** Except as set forth in this Amendment, all of the terms and provisions of the Original Agreement shall remain unmodified and in full force and effect.

[Signatures appear on following page]

IN WITNESS WHEREOF, this Amendment has been entered into as of the day and year first above written.

KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2

By: _____
Name: _____
Its: _____

KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT NO. 1

By: _____
Name: _____
Its: _____

