

Kenai Peninsula Borough
Office of the Borough Clerk

MEMORANDUM

TO: Brent Johnson, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Johni Blankenship, Borough Clerk (JB)

FROM: Michele Turner, Deputy Borough Clerk (MT)

DATE: June 21, 2022

RE: Ordinance 2021-19-53: Appropriating \$389,500 from the South Kenai Peninsula Hospital Service Area Fund Balance to Support Replacement and Improvement of the Hospital's Hot Water System (Mayor)

Per KPB 22.40.050(F), the borough clerk, or the clerk's designee in his or her absence, has the authority to revise pending resolutions and ordinances prior to assembly action, by filling in any blanks in the legislation stating advisory board recommendations made concerning the legislation. This serves as our memorandum to advise the assembly of same.

Conforming to the advisory board's actions, the last two Whereas clauses have been updated to read:

"WHEREAS, at its meeting on June 9, 2022, the South Kenai Peninsula Hospital Service Area Board, by resolution, recommended approval; and

WHEREAS, at its meeting on May 25, 2022, the SPHI Finance Committee discussed the replacement and improvement of the Hospital's Hot Water System and recommended approval through the passage of SPH Board Resolution 2022-08;"

Thank you.

**SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA BOARD**

RESOLUTION 2022-06

**A Resolution of the South Kenai Peninsula Hospital
Service Area Board
Recommending Approval of Using Unobligated Fund Balance from the
Service Area Operating Fund to Support Replacement of a
Domestic Water Tank**

WHEREAS, the South Peninsula Hospital, Inc. (SPHI) operates the South Peninsula Hospital pursuant to an Operating Agreement with the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (SKPHSA); and

WHEREAS, the SPHI Administration has identified a legacy need to replace their 350-gallon Domestic Water Tank in order to support long-term hot water generation, and

WHEREAS, there is currently no redundancy or back up for these two water heaters and it is a strategic priority of SPHI management to provide the safest possible healing environment for our patients and staff, and

WHEREAS, an independent design and engineering consultant, RESPEC, was engaged to evaluate our hot water needs and develop a plan to address failure, redundancy, backup, efficiency, risks, and costs, and

WHEREAS, the cost to replace and improve the hot water system is estimated at \$389,500; and

WHEREAS, SPHI Management would like to request that unobligated fund balance from the SKPHSA Operating Fund be appropriated to complete the replacement and upgrade of the SPHI hot water system; and

WHEREAS, the Hot Water Upgrade Project was discussed at Finance Committee on April 21 and May 19, 2022; and

WHEREAS, the SPHI Board of Directors passed and adopted South Peninsula Hospital Board Resolution 2022-08 at its meeting held on the 25th day of May 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD:

1. That the South Kenai Peninsula Hospital Service Area Board recommends approval to use unobligated fund balance from the South Kenai Peninsula Hospital Service Area Operating Fund

in the amount of \$389,500 for the South Peninsula Hospital Hot Water System Replacement and Upgrade Project.

2. That the South Kenai Peninsula Hospital Service Area Board requests that the Kenai Peninsula Borough appropriate \$389,500 in unobligated fund balance from the South Kenai Peninsula Hospital Service Area Operating Fund for the South Peninsula Hospital Hot Water System Replacement and Upgrade Project.

PASSED AND ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD AT ITS MEETING HELD ON THIS 9th DAY OF JUNE 2022.

ATTEST:

A handwritten signature in black ink, appearing to read "Helen Armstrong", is written over a horizontal line.

Helen Armstrong, Chair

South Kenai Peninsula Hospital Service Area Board

Introduced by: Administration
Date: May 25, 2022
Action: Approved
Vote: Yes - 6, No - 0, Exc.- 5

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2022-08**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE REQUEST OF UNOBLIGATED SERVICE AREA FUNDS TO
SUPPORT REPLACEMENT OF DOMESTIC WATER TANK**

WHEREAS, South Peninsula Hospital Administration has identified a legacy need to replace our 350-gallon Domestic Water Tank in order to support long-term hot water generation, and

WHEREAS, the Hospital has two independent tank-type hot water heaters and one of those tanks is failing, and

WHEREAS, there is currently no redundancy or back up for these two water heaters and it is a strategic priority of Hospital management to provide the safest possible healing environment for our patients and staff, and

WHEREAS, RESPEC an independent design and engineering consultant was engaged to evaluate our hot water needs and develop a plan to address failure, redundancy, backup, efficiency, risks, and costs, and

WHEREAS, the cost replace and improve the hot water system is estimated at \$389,491; and

WHEREAS, SPH Management would like to request that unobligated monies from the Service Area Board Fund be appropriated to complete the replacement and upgrade of the SPH Hot Water System; and

WHEREAS, the Hot Water Upgrade Project was discussed at Finance Committee on April 21, 2022 and May 19, 2022.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
SOUTH PENINSULA HOSPITAL:**

1. That the South Peninsula Hospital Board of Directors approves the Hot Water System Replacement and Upgrade Project in the amount of \$389,491.
2. That the South Kenai Peninsula Service Area Board make a recommendation to approve the use of unobligated Service Area Funds in the amount of \$389,491 for the SPH Hot Water System Replacement and Upgrade Project.

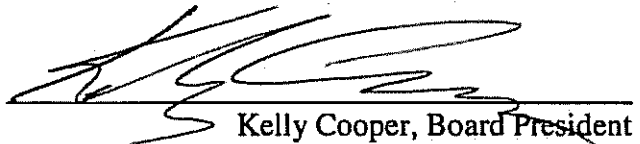
3. That the South Peninsula Hospital Board of Directors requests that the Kenai Peninsula Borough appropriate \$389,491 in unobligated Service Area Funds for the SPH Hot Water System Replacement and Upgrade Project.

**PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA
AT ITS MEETING HELD ON THIS 25th DAY OF May, 2022.**

ATTEST:



Julie Woodworth, Board Secretary



Kelly Cooper, Board President