

**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", written over a horizontal line.

Helen Armstrong, Chair

South Kenai Peninsula Hospital Service Area Board