

Kenai Peninsula Borough  
Office of the Borough Clerk

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**MEMORANDUM**

**TO:** Brent Johhnsn, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Johni Blankenship, Borough Clerk (B)

**FROM:** Michele Turner, Deputy Borough Clerk (M.T.)

**DATE:** February 1, 2022

**RE:** Ordinance 2021-19-35: Appropriating Funding from the Central Peninsula Hospital Plant Replacement and Expansion Fund for the Central Peninsula Hospital Hot Lab Upgrade to ISO Cleanroom Project (Mayor)

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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 Whereas clause have been updated to read:

**"WHEREAS,** at its meeting held on January 27, 2022, the CPH, Inc. Board recommended approval by the passage of CPH Resolution 2022-03 of the transfer of funds from the PREF in the amount of \$301,584 for the project;"

Thank you.



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### RESOLUTION 2022-03

#### A RESOLUTION APPROVING ADDITIONAL FUNDS REQUIRED FOR THE COMPLETION OF THE CENTRAL PENINSULA HOSPITAL HOT LAB UPGRADE TO AN ISO CLEANROOM PROJECT

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- 1. WHEREAS**, the Kenai Peninsula Borough has entered into an Operating Agreement with Central Peninsula General Hospital, Inc. (CPGH, Inc.) for the operation of Central Peninsula Hospital and other Medical Facilities, and to provide other healthcare programs and services on a nonprofit basis in order to ensure continued availability to the Service Area residents; and
- 2. WHEREAS**, CPGH, Inc. is a "Rural" entity as that term is defined in 42 CFR §411.351, and the CPGH, Inc. Board of Directors has determined that it is in the best interests of the Hospital and of the patients that it serves to provide Anesthesia services to patients; and
- 3. WHEREAS**, Central Peninsula Hospital provides a Nuclear Medicine service that utilizes small amounts of radioactive material or tracer (radiopharmaceuticals), a special gamma camera and a computer to form images; and
- 4. WHEREAS**, the small amount of radioactive material or tracer is generated in a Hot Lab found within the Imaging Department next to the Nuclear Medicine gamma camera; and
- 5. WHEREAS**, Radiopharmaceuticals fall under the control of the US Nuclear Regulatory Commission, which has updated *US Pharmacopeia (USP) 825 Radiopharmaceuticals – Preparation, Compounding, Dispensing, and Repackaging*, following ISO guidelines; and
- 6. WHEREAS**, USP 825 regulations require increased environmental controls as they relate to radiopharmaceuticals, resulting in the need for CPH to provide for an updated Hot Lab; and
- 7. WHEREAS**, CPH Administration engaged PDC Engineering to perform a Gap Analysis and Concept Scope to bring CPH into compliance with enforceable ISO guidelines; and
- 8. WHEREAS**, CPH Administration developed an initial Project Cost Estimate of \$568,194 to provide for the scope of the project, which included: Design and Construction Administration, Construction (with contingency), a dose calibrator, a compounding isolator and Borough Admin/PM fee; and
- 9. WHEREAS**, CPGH, Inc. Board Resolution 2021-22 approved the Hot Lab Upgrade Project and authorized the transfer from the Plant Replacement and Expansion Fund (PREF) in the amount not to exceed \$568,194; and

**10. WHEREAS**, Actual costs quotes for the Hot Lab Upgrade Project came in at \$869,778, which is \$301,584 over the amount approved in Resolution 2021-22; and

**11. WHEREAS**, CPH Administration has determined that there are sufficient funds available in the Central Peninsula Hospital Plant Replacement and Expansion Fund (PREF) to fund the additional \$301,584 cost of the Hot Lab Upgrade Project and would like to utilize PREF funds for additional cost of the project; and

**12. WHEREAS**, under Section 16(b) of the Operating Agreement, neither the Borough or CPGH, Inc. shall obligate or attempt to spend or transfer funds from the PREF without approval and appropriation by the Borough Assembly; and,

**13. WHEREAS**, under Section 16(b) of the Operating Agreement, any transfer in or out of the PREF shall first be considered by the CPGH, Inc. Board and its recommendation shall be forwarded to the Assembly.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:**

**SECTION 1.** The Board of Directors of Central Peninsula General Hospital d/b/a Central Peninsula Hospital ("CPH") approves the additional funds required for the Central Peninsula Hospital Hot Lab Upgrade to an ISO Cleanroom to meet current guidelines, and authorizes the additional transfer of funds from the Plant Replacement and Expansion Fund (PREF) in the amount not to exceed \$301,584.

**SECTION 2.** The Board of Directors requests the Kenai Peninsula Borough Assembly approve the additional funding in the amount not to exceed \$301,584 and appropriate additional PREF funds for the project.

**SECTION 3.** This resolution becomes effective immediately upon adoption by the CPGH, Inc. Board of Directors.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 01/27/22 Board meeting.

Dated: 01/27/22

Carrie Couey, Secretary/Treasurer  
CPGH, Inc. Board of Directors