

**Lompoc Healthcare District**  
**BOND OVERSIGHT COMMITTEE MEETING**  
Tuesday, November 27, 2007

**Call to Order**

Vice Chairperson Kennedy called the meeting to order at 1:35 p.m. in the LHD Board Room.

**Roll Call**

Members in attendance: George Kennedy, Roger McConnell, Justin Rughe and Gary Williams.

Members absent: Anthony Fox (due to health issues) and Howard Grantz.

Others present: Bob Baden, Earl Rush (ProWest), Joe Linden (ProWest), Jim White and Irene Melton.

Mr. Baden introduced Earl Rush from ProWest to the Committee Members who in turn introduced Joe Linden from ProWest who is the new Senior Project Manager of the new hospital facility construction that is currently being done. Joe is the replacement for Todd Hagood who had been attending the Committee meetings.

**Review of Prior Meeting Minutes**

The minutes from the July 24, 2007 committee meeting were accepted as presented.

**Revisions to Agenda**

There were no revisions proposed for this agenda or future agendas.

**NEW BUSINESS:**

**Status of the New Hospital Project:**

- An update on the status of the New Building Project will be provided at the meeting. Mr. Rush, Mr. Linden and Mr. White provided an overview of what is now happening at the building site on the "B" building, noting that good progress is continuing. Latest projections indicate the "B" building should be substantially complete by March 2008 and Final Completion is expected in May 2008. The "I" building plans are being reviewed by OSHPD (State). The State has reviewed three times and the latest review items were quite small. It is expected that the permit could be available by January 2008. Bid specifications are currently being developed and anticipated to be released to prospective bidders by the end of the year. It is hoped that construction on the "I" building would commence in February 2008. It was also noted that the slow down in the housing market could benefit the construction costs for the "I" building with more bidders equaling more competition. There were several questions from committee members regarding the construction, timing and review process that were responded to by Mr. Rush, Mr. Linden and Mr. White.

**Overview of the Budget and Expenditures to date.**

- Review of the total project budget and current projections based upon current commitments through October 31, 2007. Mr. Baden reviewed the October 31, 2007 Budget Control Report with the Committee members. Highlights of the report were:
  - General costs to the project continued to reflect a positive variance from budget of \$2,860,000,
  - "B" Building costs were projected to run \$3,182,000 over budget,

- "I" building costs while currently projected to run \$11,314,000 over budget will depend on the actual bids that come in from the sub-contractors in January 2008, and
  - Due to earnings on the bond proceeds during construction now being forecast at \$4,400,000, the total overage is currently projected at \$7,233,000.
- Current actual expenditures to date through October 31, 2007.  
Mr. Baden reviewed latest and current expenditures to date on the project from the worksheet labeled Cash Out Report. He noted that expenditures during the month of October 2007 totaled \$1,277,000 primarily for construction costs on the "B" building. Interest earnings on the bond proceeds invested until their use were \$239,000 for the month of October which resulted in net costs for the month of \$1,038,000. Total net cash expenditures to date were now at \$19,714,000 of the total \$74,500,000 received from the two GO Bond Sales. Questions from committee members regarding select line items were answered and no further action was necessary.

**OLD BUSINESS:**

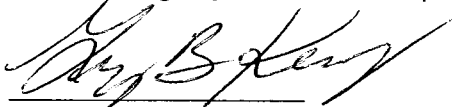
**None**

**Other**

- Mr. Baden reminded the committee members that the next Bond Oversight Committee meeting would be at 1:30 p.m. on January 22, 2008, in the Hospital Board Room.

**Adjourn**

The meeting adjourned at 2:20 p.m.



George B. Kennedy, Vice Chairperson