

FOR IMMEDIATE RELEASE

Health Care District Signs Letter of Intent for Long-Term Lease Operation of Petaluma Valley Hospital

Petaluma, Calif. – December 11, 2018 – The [Petaluma Health Care District](#) (District) has entered into a non-binding letter of intent (LOI), pursuant to which ST Network, LLC (ST Network) will operate Petaluma Valley Hospital (PVH) under a 30-year term lease. Final lease negotiations will occur in 2019 once the applicable regulatory authorities have approved ST Network as noted below.

ST Network is a proposed joint operating company between St. Joseph Health and Adventist Health System/West. Once approved, ST Network will provide health and wellness services across clinics and facilities in Humboldt, Mendocino, Sonoma, Lake, Napa and Solano counties.

“We are getting closer to securing the future operator of PVH,” said Ramona Faith, CEO of the Petaluma Health Care District. “It has been a long complex process, but the District Board has always been, and continues to be, committed to securing a quality hospital operator to ensure continued access to an excellent community-based hospital.”

Under the proposed terms, ST Network will commit to maintaining PVH’s core services and making \$3.5 million in capital commitments to PVH per year.

Petaluma Valley Hospital’s transition of operations to ST Network will be subject to the District and ST Network negotiating a lease agreement, ST Network obtaining hospital licensure and all other appropriate licenses, permits and certifications, and approval of the lease by a public vote.

The District will be conducting community outreach about the proposed lease. Time will be allocated at its January 15, 2019 Board meeting to review the LOI and for public discussion. The complete LOI is also available on the District website, which can be found [here](#).

Background:

Petaluma Valley Hospital is an 80-bed acute care community hospital. Services include 24-hour emergency care, general surgery and labor and delivery. The Petaluma Health Care District owns PVH and operated it from its opening in 1980 until it entered into a 20-year lease with SRM Alliance Hospital Services (SRM Alliance), a subsidiary of St. Joseph Health, in 1997. SRM Alliance has continued operating PVH after its lease expired in January 2017.

About Petaluma Health Care District

The Petaluma Health Care District (PHCD) is dedicated to improving the health and well-being of the Southern Sonoma County community through leadership, advocacy, support, partnerships and education. Its vision is to foster a healthier community, a thriving hospital and

local access to comprehensive health and wellness services. PHCD has served the health and wellness needs of the community for more than 70 years and is a public agency managed by the community for the community. For more information, please visit www.phcd.org. Follow PHCD on [Facebook](#) and @PHCDistrict on Twitter.

#