



December 16, 2024

Jim Zaffino, Chief Administrative Officer
Okanagan Similkameen Regional Hospital District
101 Martin Street
Penticton, BC V2A 5J9

Dear Mr. Zaffino:

Re: Capital Funding Request for the 2025/26 Fiscal Year

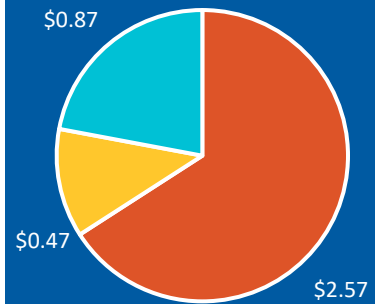
Please find enclosed our annual funding request for Interior Health’s (IH) next fiscal year for your review and approval. The funding request is based on IH’s 2025/26 capital budget which has been approved by our Board. The budget is developed by prioritizing identified capital needs throughout our organization with our physicians and staff within the context of the Capital Investment Strategic Framework. These planned investments are contingent on assumed funding from the Ministry of Health, the Regional Hospital Districts, and other funding partners.

The 2025/26 capital budget targets urgent and high priority items required to deliver health services to the people who live in the communities we serve. Investments in our buildings and infrastructure are required to prevent system failures, safeguard reliable access to services, and ensure safety and comfort of patients and staff. We are also seeking to upgrade or replace equipment that is at or beyond its useful life to limit service disruptions and downtimes. In addition to investments in buildings and equipment, we must also invest in digital health projects infrastructure to ensure patient information is accessible and secure and the electronic systems we use to provide care are as efficient and effective as possible.

These investments have been carefully prioritized considering the most urgent needs throughout the health region and the notional funding we have assumed will be available.

For the 2025/26 fiscal year we are requesting funding from your RHD for the following projects and equipment. Please note that all capital initiatives over \$100,000 are subject to government approval.

Funding Request by Category



Total \$3.98

\$\$ in Millions

- Construction Projects
- Digital Health
- Equipment

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka’pamux, Secwépemc, St’át’imc, syilx, and Tšilhqot’in Nations where we live, learn, collaborate and work together.

Construction Projects over \$100,000

1. Medical Gas Outlet Replacement at Penticton Regional Hospital, Penticton

This project will replace distribution piping and medical gas outlets to approximately 70 beds. The existing medical gas outlets and distribution piping provide oxygen, vacuum, and medical air in the Central Pavilion, originally constructed in 1952, and the South Pavilion, added in 1969. The medical gas system is at the end of its useful life. The current system does not meet the Canadian Standards Association requirements and replacement parts are difficult to source due to obsolescence.

2. Valve Replacements at Penticton Regional Hospital, Penticton

Valves throughout the main pavilion require replacement due to unreliable valve isolation as valves currently fail partially open. This project will upgrade the water supply system, including providing more shut off valves at the site to isolate the impact of future leaks. Existing valves are beyond their useful lives. Valves being replaced were installed in 1969. There are two utility connections at Penticton Regional Hospital and this one valve presents us from switching back and forth between utilities for shutdowns.

3. Domestic Water Line Replacement at Sunnybank Retirement Centre, Oliver

This project will replace all domestic water lines, including hot water recirculation lines and domestic hot and cold-water lines at Sunnybank Retirement Centre in Oliver. The main hot water recirculation line has been failing for some time and periodically develops pinhole leaks that soak through the ceiling and into rooms below. This is a risk to people living within these facilities and can potentially cause major damage and mold growth. The water lines being replaced were installed in 1984.

4. Roof Top Unit 1 & 2 Replacement, Summerland Health Centre, Summerland

This project was originally approved in 2023/24 to replace end of life heating and cooling roof top units with newer and more reliable technology. Original equipment specifications have recently been determined to be insufficient for the needs of the site and a budget increase is required to install right-sized units. Your RHD approved \$80,000 on bylaw # 170 toward the original project budget of \$200,000. A budget increase of \$181,400 is required and we ask for your RHD to contribute 40% or \$72,600.

5. Building Management System Upgrade at Various Sites

The Siemens building management system (BMS) utilized by Interior Health uses Siemens Insight as the BMS to provide control and monitoring services to nine IH facilities. The version currently installed is no longer supported. This project involves a software upgrade to the centralized management system and software, currently residing within IH's data center. There is also work required at each facility. Some will require upgrades to local hardware supporting the site, while others will require hardware to be replaced. Finally, a new user interface will be provided along with vendor training. This upgrade will bring the BMS into a modern vendor supported state. Should IH not perform this upgrade, the vendor has indicated they will only be able to provide best effort support, and there is no guarantee in maintaining operations of this system if there are issues. IH may also not be able to accommodate the installation of newer, more efficient hardware, and introduces risk to patient care, as it controls the HVAC systems at nine of our care providing facilities.

Facility	Location	25/26 Budget
Penticton Regional Hospital	Penticton	\$ 115,000
Princeton General Hospital	Princeton	\$ 27,600
South Okanagan General Hospital	Oliver	\$ 27,600
Total		\$ 170,200

IH-Wide Digital Health

Efficient and effective technology is a key enabler for delivery of quality health services. IH's Digital Health Investment Plan includes high-priority projects aimed at enhancing the reliability and stability of our infrastructure and electronic systems, as well as advancing our technology to keep pace with industry-wide innovation and transformation.

A key focus of our plan is the essential and ongoing investment in upgrading our networks and technology infrastructure to ensure stability, optimization, and protection against cyber-security threats.

- Data centre servers
- Data centre storage expansion
- Phase 3 of data centre facility migration
- Network upgrades

We are committed to supporting clinical and operational requirements by implementing electronic systems for consistent workflows and enhanced patient safety.

- Electronic medical records systems (EMR) for Primary Care sites
- Standardized digital system for emergency departments

Implementation of new electronic technologies will eliminate paper-based process, improving access to more complete patient records which will ultimately improve the patient experience.

- Continued rollout of electronic surgical system
- Electronic lab requisition forms system
- Phase I electronic physician documentation system

These projects are IH-wide initiatives costing approximately \$11.1 million. The benefits are distributed equally across IH regions; therefore the cost allocation to each of IH's seven RHDs is based upon population data using the PEOPLE 2024, BC Statistics. The Okanagan Similkameen RHD's percentage ratio is approximately 11%. Claims on this project will be calculated using this percentage for the actual cost distribution.



Equipment over \$100,000

Please note that pictures shown below are for illustrative purposes only and may not depict the actual equipment to be purchased by IH, which will be established during the procurement process.

Facility Bus for McKinney Place, Oliver

The McKinney Place transport bus supports 75 long-term care clients and 51 clients from the adult day program at Sunnybank Centre to enjoy a recreation program that provides weekly sight seeing trips, monthly event excursions and seasonal outings. For many clients this provides their only opportunity to get outside the facilities. The current bus is a 2006 model that has been used extensively over the last 18 years. The bus typically does not pass its annual inspection and can be out of commission for weeks to find parts. We are seeking a replacement twelve seat bus, with a minimum capacity for three wheelchairs with wheelchair tie downs for secure and safe transport. Additionally, the bus is required to be outfitted with a wheelchair lift or ramp.



Nurse Call for McKinney Place, Oliver

This equipment will replace the existing Nurse Call system installed in 2008 to a new hardwired system which will require building renovations. The old equipment is no longer supported, and replacement parts can no longer be sourced. This replacement will ensure communication between residents and care staff can reliably continue, supporting ongoing patient and staff safety at the site.

Equipment under \$100,000 (Global Grant)

As in prior years, we are requesting global funding for equipment under \$100,000.

A financial summary of our funding requests is provided in Appendix 1. We would appreciate it if you could submit these requests to your Board for consideration. Please advise us of the meeting date when they will be discussed to enable us to have IH representatives attend and to answer questions that may arise. If the requests should receive approval, please send Cindy Rephin, Executive Director, Capital Finance & Controller copies of the relevant bylaws for our records.

We thank you for your on-going support of our capital initiatives. If you require further information, or if you have any questions or concerns, please contact Dan Goughnour, Corporate Director, Business Operations or me directly.

Sincerely,



Sylvia Weir, VP & CFO Corporate Services

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka'pamux, Secwépemc, St'át'imc, syilx, and Tšìlhqot'in Nations where we live, learn, collaborate and work together.

Appendix 1: Summary of Regional Hospital District Funding Request for 2025/26

Facility	Location	Project Description	Total Budget	2025/26 Funding Request	Previous RHD Approval		B/L #	Total Budget	Total RHD Share
					Total	RHD Share			
		Construction Projects over \$100,000							
Penticton Regional Hospital	Penticton	Medical Gas Outlet Replacement	\$ 4,206,700	\$ 1,682,700			\$ 4,206,700	\$ 1,682,700	
Penticton Regional Hospital	Penticton	Valve Replacements	100,000	40,000			100,000	40,000	
Sunnybank Retirement Centre	Oliver	Domestic Water Line Replacement	1,942,100	776,900			1,942,100	776,900	
Summerland Health Centre	Summerland	Roof Top Unit 1 & 2 Replacement	181,400	72,600	\$ 200,000	\$ 80,000	381,400	152,600	
Various	Various	Building Management System Upgrade	170,200	68,100			170,200	68,100	
		IH-Wide Digital Health							
Regional		Various	1,179,700	471,900			1,179,700	471,900	
		Equipment over \$100,000							
McKinney Place	Oliver	Facility Bus	228,500	91,400			228,500	91,400	
McKinney Place	Oliver	Nurse Call	769,900	308,000			769,900	308,000	
		Equipment under \$100,000 (Global Grant)							
All Facilities		Equipment under \$100,000	1,181,900	472,800			1,181,900	472,800	
TOTAL			\$ 9,960,400	\$ 3,984,400	\$200,000	\$80,000	\$10,160,400	\$4,064,400	