

**TEHACHAPI VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING**

Date: October 19, 2021

Place: Tehachapi Valley Healthcare District Office

116 W E Street

Tehachapi, CA 93561

Time: 4:30 p.m.

Teleconference available ~ 351-888-6527

AGENDA

I. CALL TO ORDER

II. FLAG SALUTE

III. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

This time is reserved for persons to address the Board of Directors on matters not on the agenda over which the District has jurisdiction. Time is limited to 3 minutes per speaker. The Board of Directors can take no action on your presentation. Any person desiring to speak on an item on the agenda will be given an opportunity to do so prior to the Board of Directors acting on the item.

IV. CONSENT AGENDA

The following items are considered routine and non-controversial by District Staff and may be approved by one motion. If a member of the Board or audience wishes to comment or ask questions on an item, it will be moved to New Business or Reports.

A. Approval of Minutes

- | | |
|--|-------|
| 1. Board of Directors Meeting 9/21/2021 | Tab 1 |
| 2. Receive and File, Community Outreach Committee, 9/14/2021 | Tab 2 |

V. NEW BUSINESS

- | | |
|--|-------|
| A. General Obligation Bond Refinancing Overview (CFW, Inc.) | Tab 3 |
| B. CEO Compensation | Tab 4 |
| C. Resolution Amending the Day and Time of Regular Board Meeting | |

VI. OLD BUSINESS

- | | |
|--|-------|
| A. Community Resource Center Naming | Tab 5 |
| B. Ideas for Community Resource Center | Tab 6 |

VII. REPORTS

- | | |
|------------------------------|-------|
| A. Community Outreach Report | |
| B. Finance Report | Tab 7 |
| C. CEO Report | Tab 8 |

VIII. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

IX. CLOSED SESSION

A. Water Rights Negotiations

X. ADJOURNMENT

NOTICE TO THE PUBLIC

PUBLIC COMMENT PERIOD FOR REGULAR MEETINGS

Members of the public may comment on any item on the agenda before the Board takes action on it. The public may also comment on items of interest to the public that is within the subject matter jurisdiction of the Board; provided, however, the Board may not take action on any item not appearing on the agenda unless the action is otherwise authorized by law. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak.

COPIES OF PUBLIC RECORDS

All writings, materials, and information provided to the Board for their consideration relating to any open session agenda item of the meeting are available for public inspection and copying during regular business hours at the Administration Office of the District at 116 WE St., Tehachapi, California.

COMPLIANCE WITH ADA

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (Cal. Gov't Cod. § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting, should contact the Executive Office during regular business hours by phone at 661-750-4848, or in person at the District's Administrative Office at 116 WE St., Tehachapi, California.

Tab 1

BOD minutes

9/21/2021

TEHACHAPI VALLEY HEALTHCARE DISTRICT
BOARD OF DIRECTORS MEETING
MINUTES
116 W E Street
Tehachapi, CA 93561
September 21, 2021
Conference Call # 351-888-6527
4:30pm

Board Present: Mike Nixon, Christine Sherrill, William Steele, Duane Moats

Staff Present: Caroline Wasielewski, CEO; Lisa Hughes, Business Manager;
Scott Nave, Legal Counsel via teleconference

I. CALL TO ORDER

Chair Mike Nixon called the meeting to order at 4:32 pm.

II. FLAG SALUTE

III. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

None

IV. CONSENT AGENDA

A. Approval of Minutes

1. Board of Directors Meeting, 8/17/2021
2. Receive and File, Community Outreach Committee, 8/10/2021
3. Receive and File, Finance Committee, 8/11/2021
4. Special Board Meeting - Strategic Planning, 8/12/2021

B. Finance Statement of Cash Flows

Consent Agenda Approval

MSA: STEELE/MOATS; 4-0; 1 VACANT SEAT; APPROVED

*The Board took the first item A. off New Business first.

VI. New Business

A. General Obligation Bond Refinancing

Emilio Flores of CFW, Inc. explained a handout in the Board packet about the advantages and process of refinancing approximately \$48 million in outstanding bonds from the Measure 'A' authorization issued in 2013 which could generate approximately \$4 million in taxpayer savings over time. The savings would be realized by reducing the current interest rate of the bonds

from over 4.7% to approximately 3.0% by issuing new bonds to refinance the prior bonds; the term of the bonds will not be extended. Based on prevailing requirements, the new bonds must be issued as taxable bonds, which carry a slightly higher rate than tax-exempt bonds, as the investors may be subject to additional income tax on interest earned. Transaction costs will be paid from the savings generated from the refinancing and all costs are contingent on the closing of the transaction, except for a credit rating fee of approximately \$35,000. The healthcare district must have a credit rating of A3 or higher. The options for the district are to take no action, delay any action for a later time, or to authorize CFW to go forward with the refinancing and produce appropriated documents to be considered at a future meeting. Director Steele made a motion to proceed with refinancing. Director Sherrill seconded the motion. There was no additional board discussion. The motion came to a vote. **MSA; STEELE/SHERRILL; 4-0; APPROVED**

V. OLD BUSINESS

A. CEO Job Description

The board reviewed the updated CEO job description in the meeting packet. A motion by Director Sherrill was entered and seconded by Director Moats. Seeing no additional discussion, a vote to approve was taken.

MSA; SHERRILL/MOATS; 4-0; APPROVED

VI. NEW BUSINESS

A. DHCS IGT Program Enrollment
Tabled

B. Ideas for Community Resource Center

The Board reviewed a handout in the meeting packet that listed items and services that should be included in the Community Resource Center. Chair Nixon asked the Board to review and be prepared to discuss again at the Special Board Meeting on Thursday, October 14, 2021.

C. RFP for Planning, Architectural, Engineering Services

Both these items B and C will be discussed in more detail at the Special Board Meeting to be held on Thursday, October 14, 2021.

D. Mobile Generator Bid

CEO Wasielewski reported the there was one bid returned for the purchase of two 250kVA mobile generators. These will be purchased with funds granted to TVHD by the California Office of Emergency Services. Ms. Wasielewski urged the board to approve the bid due to the backlog of generators and long time to deliver. The bid came from

Valley Power Systems Inc. for \$282,480.42. The total grant funds are for \$300,000. A motion was made by Director Sherrill to approve the bid and purchase. It was seconded by Director Moats. A vote was taken. **MSA; SHERRILL/MOATS; 4-0; APPROVED**

E. Vacant Board Seat Applicants

There are two applications for the Board seat left vacant by Dr. Sam Conklin. They are for Lydia Cheney and Carl Gericke. The meeting packet included their applications for board members to review. Chair Nixon asked CEO Wasielewski to invite both applicants to the Special Board meeting on October 14, 2021, and the board will appoint a director at that time.

VII. REPORTS

A. Community Outreach Committee

Director Steele reported to the board on the recent Community Outreach Committee Meeting. The committee received a presentation from a social worker group in Tehachapi and learned about outreach being done for seniors in our area. Mr. Steele then asked Josh Pierce, Community Integration Director for Adventist Health Tehachapi, to speak about the community outreach being done by Adventist Health. Mr. Pierce address the Board and reported on current happenings at Adventist Heath Tehachapi.

B. CEO Report

CEO Wasielewski reviewed her report as submitted in the meeting packet. The board asked Ms. Wasielewski to speak to the newspaper and have an article written that will update the community on demo of the old hospital building.

Board of Director Travel

None

VIII. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

None

IX. CLOSED SESSION

A. Personnel Evaluation: CEO

X. CLOSED SESSION REPORT

Board discussed CEO Evaluation and no action was taken.

XI. ADJOURNMENT

Meeting adjourned at 5:47 pm

Respectfully,

Christine Sherrill
Secretary

Tab 2

Community Outreach Minutes

9/14/2021

*Tehachapi Valley Healthcare District
Community Outreach Committee
Meeting Minutes
September 14, 2021
116 W E Street, Tehachapi, CA
12:00 pm*

I. CALL TO ORDER

Director Steele called to order the regular meeting of the Community Outreach Committee at 12:02 pm on 9/14/21 at TVHD Office.

II. ROLL CALL

Directors William Steele and Christine Sherrill were present. Staff members Caroline Wasielewski and Lisa Hughes were present.

III. APPROVAL OF MINUTES

The committee approved unanimously the minutes from August 10, 2021.

IV. OLD BUSINESS

A. PGE Grant

Ms. Wasielewski updated the Committee on the PGE Grant application. It is submitted and decisions will not be made until December 2021.

B. 115 W E Street Building Update

Ms. Wasielewski informed the committee that the electric is scheduled to be disconnected the week of September 28, 2021. The plan is to begin the tear down process the week of October 11, 2021.

V. NEW BUSINESS

A. Education Ideas

Ms. Wasielewski informed the committee that past employee, Amar L is interested in volunteering for the Healthcare District. She suggested facilitating community education courses. The committee brainstormed about topics that could be interesting to the community. Ideas are CPR, healthy cooking, and cold weather health tips. TVHD could also partner with other groups to expand the audience and specialization.

B. Outreach Opportunities

Debby Diamond, therapist representing the Volunteer Senior Outreach Program spoke to the committee and distributed a handout explaining the services and goals of the program. The committee discussed afterwards and will continue to look for ways TVHD and VSOP could potentially work together.

VI. REPORTS


A. TVHD Cash Flow Report August 2021

Ms. Wasielewski presented the cash flow report that was in the packet.

VII. ADJOURNMENT

The meeting was adjourned at 1:16pm

Minutes approved by: _____



William Steele

Tab 3

General Obligation Bond Refinancing Overview



Tehachapi Valley Healthcare District

Kern County

General Obligation Bond Refinancing Options

October 19, 2021

6425 CHRISTIE AVENUE
SUITE 270
EMERYVILLE, CA 94608
(510) 596-8170

815 COLORADO BLVD
SUITE 201
LOS ANGELES, CA 90041
(323) 202-2550



CFW ADVISORY
SERVICES

Summary of Opportunity to Refinance Bonds

- At the September 21 Board of Directors meeting, the District was presented with the opportunity to refinance (refund) some previously issued general obligation (G.O.) bonds to generate over \$4 million in taxpayer savings over time
- A refunding is similar to refinancing a home mortgage, where existing bonds that carry an above-market interest rate are replaced with new bonds bearing a lower rate
- Low prevailing interest rates and high investor demand for municipal bonds like the District's enables the new bonds to be issued at a lower interest cost, thus saving taxpayers money
- The term of the bonds will not be extended, and the gross savings estimates are net of all transaction costs
- Since the September Board meeting, CFW has worked with the District to engage an underwriting firm, Piper Sandler, and a bond counsel, Norton Rose Fulbright, to conduct the necessary due diligence for the preparation of required legal documents and to identify potential investors to purchase the proposed refunding bonds
- In addition to a public negotiated sale of the refunding bonds, the underwriter has determined that some investors may have an interest in purchasing the entire bond offering through a private placement transaction which may provide some benefits to the District

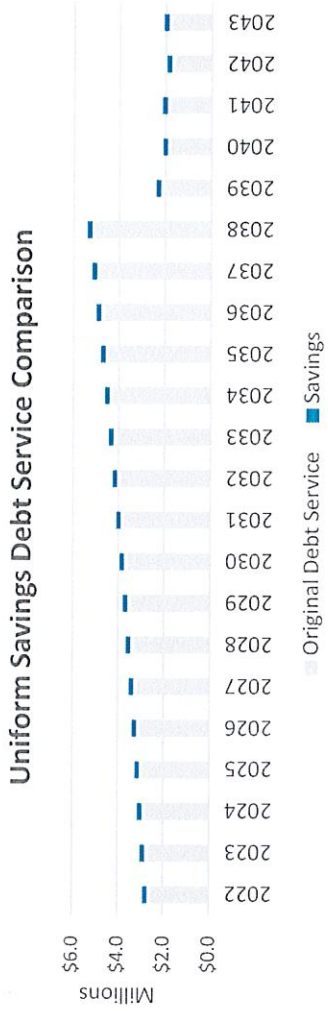
Note: All figures are preliminary estimates based on prevailing market conditions and a minimum credit rating of "A2", and are subject to change

Public Negotiated Sale Savings Structure Options

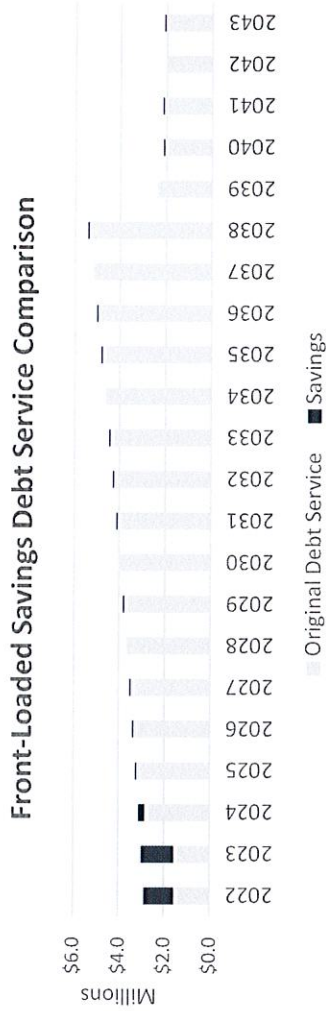
- In a public offering, on the day of sale, the underwriter enters the bond market and negotiates the interest rate and structure of each bond maturity and makes a proposal to the District to purchase the bonds
- Prior to the sale, the District must prepare and publish a Preliminary Official Statement (POS) for investor review and is generally required to obtain a credit rating to be included in the POS
- In a public negotiated sale, the District may select alternate structures for the new refunding bonds: uniform, front-loaded, or back-loaded savings over the remaining life of the bonds
- A uniform savings structure attempts to distribute the savings evenly across the life of the bonds; this structure would generate approximately \$4 million in total debt service savings
- A front-loaded savings structure would result in greater savings immediately in 2022 and 2023 by shifting the new refunding debt service toward the later years; however, the total savings would decrease to approximately \$3 million, as principal payment is deferred
- A back-loaded savings structure would increase the total savings to more than \$6 million; however, the savings would not be realized by taxpayers until near final maturity of the bonds in 2040
- In all structures, the term of the new bonds remains within the term of the original bonds

Savings Structure Options

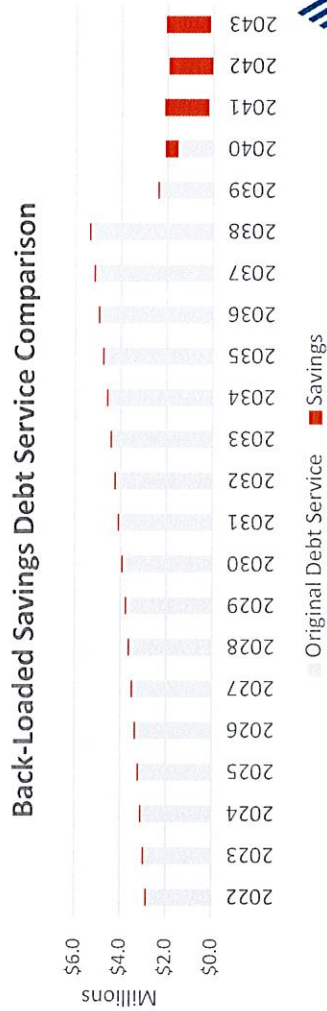
Uniform "A2" Offering	
Principal Amount	\$53,785,000
All-In Cost	3.30%
Total Debt Service	\$74,911,359
Gross Savings	\$4,148,542
NPV Savings (\$)	\$3,057,107
NPV Savings (%)	6.30%



Frontloaded "A2" Offering	
Principal Amount	\$53,785,000
All-In Cost	3.31%
Total Debt Service	\$76,050,915
Gross Savings	\$3,008,986
NPV Savings (\$)	\$2,911,187
NPV Savings (%)	6.00%



Backloaded "A2" Offering	
Principal Amount	\$53,785,000
All-In Cost	3.22%
Total Debt Service	\$72,662,249
Gross Savings	\$6,397,652
NPV Savings (\$)	\$3,526,078
NPV Savings (%)	7.27%



Private Placement Option & Considerations

- Private placements are typically utilized when a District has unique credit considerations and wishes to expedite and simplify the transaction
- This option may be pursued in parallel with a public negotiated sale
- In a private placement, the underwriter serves as a placement agent, and the placement agent solicits price input from multiple investors, usually banks or large financial institutions, and establishes a term sheet for the investor to purchase the entire bond offering
- If the District elects to privately place the bonds, the District, CFW, and the placement agent negotiate the rate of borrowing directly with the investor
- In a private placement, the rate of borrowing is locked-in based on the requirements of the investor; as a result, the District may not be able to achieve a specific saving structure
- The investor typically completes their own credit review internally, so no POS or rating is required; however, bond insurance may need to be procured
- Because there is no rating requirement and fewer documents to prepare, the financing charges and fees for a private placement are typically less than the fees required for a public offering
- Prevailing law will require the bonds to be initially issued as taxable securities; however, the bonds may be structured to convert to tax-exempt status in the future as permitted by law and stipulated in the term sheet

Next Steps

- Complete the due diligence process regarding the District's lease and current operating structure
- Prepare the appropriate legal documents for either a public negotiated sale or private placement structure
- Schedule a meeting with rating agency, if public negotiated sale pursued
- Solicit a bid for bond insurance
- Schedule a board meeting to adopt required documents
- Update transaction schedule and estimated closing date

General Information Exclusion Disclosure

IMPORTANT: PLEASE REVIEW. CFW Advisory Services, LLC (“CFW”) has prepared the attached materials. These materials consist of factual or general information (as defined in Section 975 of the Dodd Frank Wall Street Reform and Consumer Protection Act, as amended, otherwise known as the “Municipal Advisor Rule”) including information regarding CFW’s professional qualifications and prior experience.

These materials have been prepared by CFW for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. To the extent that CFW provides any alternatives, options, views, analysis, calculations or examples in the attached information, such information is not intended to suggest that the municipal entity or obligated person could achieve particular results in any municipal securities transaction.

Any terms and conditions presented in the attached materials are subject to further discussion and negotiation. CFW does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. Where indicated, this presentation may contain information derived from sources other than CFW. While we believe such information to be accurate and complete, CFW does not guarantee the completeness and accuracy of this information. This material is based on information currently available to CFW or its sources and is subject to change without notice. Any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.

Tab 4

Resolution Amending Day and Time of Regular Board Meeting

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF TEHACHAPI VALLEY HEALTHCARE DISTRICT
SETTING THE TIME AND PLACE FOR REGULAR MEETINGS**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEHACHAPI
VALLEY HEALTHCARE DISTRICT** that the Board of Directors of Tehachapi Valley
Healthcare District shall hold regular meetings on the _____ of each month at _____ at the
District's administrative office located at 116 West E Street, Tehachapi, California.

PASSED, APPROVED, AND ADOPTED on the 19th day of October 2021.

Mike Nixon, President

ATTEST:

Christine Sherrill, Secretary

(SEAL)

Tab 5

Community Resource Center Name Proposal

It has proposed that the new building to be built on the site of the old hospital be named after Dr. Sam Conklin.

Tab 6

Ideas for Community Resource Center

UPDATED LIST AT MEETING

New Construction Wants, Needs and RFP

Add to RFP	Delete	ITEM
Community Center		
		Well Insulated throughout
		Solar panels on roof and 2 EV charging stations
		Solar hot water tubes or panels
		Covered or enclosed space for 2 movable generators...size?
		Rain water collection system... and water bladder? to water plants
		Indoor atrium
		Movable walls.....for various sizes of meeting spaces
		"Warming kitchen"
		#__ small locker spaces to store and charge phones and other devices
		#__ charging stations for medical devices
		HVAC system with HEPA filters for smoke etc
		Integrated utility lines such as voice, data, and power to accommodate a variety of multimedia presentations and tele- and video- conferences
		Accessible floor plan is one in which people who use mobility devices (e.g., wheelchairs, scooters, walkers, crutches, canes) can maneuver throughout and use the amenities independently; people who are blind or have low vision can navigate easily and safely; people who are deaf or have hearing loss can use assistive listening systems and see speakers, interpreters, and captioning
		Conference/Classroom space to allow for outdoor learning

			Special HVAC and Utility Requirements: separate AHU, which requires a 15% increase in cooling capacity. HVAC, electrical, and security systems are generally designed to operate after hours on a regular basis
			Energy-efficient lighting fixtures
			Xeriscape landscaping
Mountain Garden Pathways			
			About 5000 -6000 dedicated Square feet
			At least two classrooms and a few offices
			Private access to the outside

Tab 7

Finance Report

Management Report

Tehachapi Valley Healthcare District
For the period ended September 30, 2021



Tehachapi Valley
Healthcare District

Quality healthcare. Right here. Right now.

Prepared on
October 13, 2021

Profit and Loss

September 2021

	Total
INCOME	
Services	3,263.67
Uncategorized Income	2,550.00
Total Income	5,813.67
GROSS PROFIT	5,813.67
EXPENSES	
Contractors	460.00
Insurance	1,098.92
Legal & Professional Services	13,552.50
Office Supplies & Software	9,973.77
Other Business Expenses	7,250.94
Payroll Expenses	688.43
Payroll Wage Expenses	9,334.78
Rent & Lease	500.00
Taxes & Licenses	4,246.80
Utilities	961.62
Total Expenses	48,067.76
NET OPERATING INCOME	-42,254.09
NET INCOME	\$ -42,254.09

Expenses by Vendor Summary

September 2021

	Total
AFLAC	39.12
Alex & Emma Cleaning	180.00
AMEX	1,180.83
BETA	597.19
CALPERS	752.60
Delfin Torbino	200.00
Diamond IT	8,055.17
Duane Moats	200.00
ER Moore	80.00
Gas Company	18.92
Healthland	1,404.89
Humana	545.14
JWT & Assoc.	7,615.00
Koppel & Gruber Public Finance	3,900.00
Luis and Consuelo Ruiz	500.00
Matson Alarm	35.00
Mike Nixon	200.00
Mitel	228.21
Moats	300.00
Paylocity	437.56
Payroll Taxes	4,246.80
Petty Cash	32.05
Pitney Bowes	2,031.18
Postmaster	50.25
Scott Nave	2,037.50
Southern California Edison	942.70
Spectrum	249.60
Staff wages	8,607.12
Streamline	100.00
Toshiba	534.69
UHC	1,476.30
USPS	350.00
Valic	727.66
William Steele	200.00
Witts	12.28
TOTAL	\$48,067.76

Check Register Report

Application Code: AP

User Login Name: cwasielewski

Bank Code	Check #	Check Date	Description	Status	Check Type	Amount
1	141122	09/01/21	BEEDLE, CHET		C	500.00
1	141123	09/01/21	BETA HEALTHCARE GROUP		C	597.19
1	141124	09/01/21	E.R. MOORE TERNITE & PEST CONT		C	80.00
1	141125	09/01/21	HUMANA INSURANCE CO.		C	545.14
1	141126	09/01/21	LUIS & CONSUELO RUIZ		C	500.00
1	141127	09/01/21	NAVE` & CORTELL, LLP		C	2,037.50
1	141128	09/01/21	PITNEY BOWES GLOBAL FINAN		C	29.44
1	141129	09/01/21	STREAMLINE		C	100.00
1	141130	09/01/21	UNITEDHEALTHCARE		C	1,476.30
1	141131	09/01/21	WITT'S		C	12.28
1	141132	09/08/21	PITNEY BOWES GLOBAL FINAN		M	2,001.74
1	141133	09/09/21	DELFIN TORIBIO		C	100.00
1	141134	09/09/21	MATSON ALARM CO INC		C	35.00
1	141135	09/09/21	PETTY CASH		C	32.05
1	141136	09/09/21	U.S. POSTAL SERVICE		C	350.00
1	141137	09/16/21	ALEX AND EMMA CLEANING SERVICE		C	180.00
1	141138	09/16/21	DIAMOND TECHNOLOGIES, INC		C	5,193.71
1	141139	09/16/21	HEALTHLAND		C	1,404.89
1	141140	09/16/21	JWT & ASSOCIATES, LLP		C	7,615.00
1	141141	09/16/21	MITEL CLOUD SERVICES		C	228.21
1	141142	09/16/21	SPECTRUM		C	126.63
1	141143	09/16/21	TOSHIBA FINANCIAL SERVICES		C	534.69
1	141144	09/16/21	KOPPEL & GRUBER PUBLIC FINANCE		C	3,900.00
1	141145	09/23/21	AMERICAN EXPRESS		C	1,180.83
1	141146	09/23/21	CA PUBLIC EMPLOYEE & RETIREMEN		C	250.87
1	141147	09/23/21	MOATS, DUANE R.		C	200.00
1	141148	09/23/21	NIXON, MIKE		C	200.00
1	141149	09/23/21	PITNEY BOWES GLOBAL FINAN		C	29.21
1	141150	09/23/21	PITNEY BOWES PURCHASE POW		C	62.35
1	141151	09/23/21	SPECTRUM		C	122.97
1	141152	09/23/21	STEELE, BILL		C	200.00
1	141153	09/30/21	ADVANCED DATA STORAGE, INC.		C	37.03
1	141154	09/30/21	AFLAC		C	39.12
1	141155	09/30/21	BEWICK, CHRISTOPHER E		C	100.00
1	141156	09/30/21	CITY OF TEHACHAPI		C	426.54
1	141157	09/30/21	GAS COMPANY		C	20.44
1	141158	09/30/21	NAVE LAW OFFICE, PROFESSIONAL		C	1,865.50
1	141159	09/30/21	SHRED-IT USA LLC		C	167.90
1	141160	09/30/21	TOSHIBA FINANCIAL SERVICES		C	679.55
1	141161	09/30/21	WITT'S		C	60.03
2	2265	09/16/21	BSK & ASSOCIATES, INC		M	1,635.00
Grand Total:						34,857.11

Total Number of Checks Printed: 41

Bank Code: From 1 To 2

Check No: From 1000 To 141172

Check Date: From 09/01/21 To 09/30/21

Check Type: All

Check Status: All

Tab 8

CEO Report

- Tear down of the old hospital has begun. It is expected to be finished by October 22, 2021.
- Attended the October Chamber of Commerce Luncheon.
- Continuing to look for grant opportunities to fund projects for the new community resource center. Working with the City of Tehachapi.
- There most likely will be plumbing expenses that could be quite expensive. Working with the owner of neighboring house.
- All expenses for 101 W E Street are now being paid by JLL/ Adventist Health.