

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

**Date: September 20, 2023**

**Place: Tehachapi Valley Healthcare District Office**

**116 W E Street**

**Tehachapi, CA 93561**

**Time: 8:30am**

Audio Call: 1-347-566-2771 ID: 932899372#

Teleconference: [Click here to join the meeting](#)

Director Steele joining from: Holland America/Princess Juneau Office

151 Mill Street, Juneau, AK, 99801

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**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.

Approval of Minutes

- |  |       |
|--|-------|
| 1. Board Meeting Minutes August 15, 2023                     | Tab 1 |
| 2. Receive and File, Finance Committee Minutes June 14, 2023 | Tab 2 |
| 3. Receive and File, Finance Committee Minutes July 19, 2023 | Tab 3 |

**V. OLD BUSINESS**

- |   |       |
|---|-------|
| A. Resolution Regarding Director Benefits   | Tab 4 |
| B. Reorganization of District Bank Accounts | Tab 5 |

**VI. NEW BUSINESS**

- |                                      |       |
|--------------------------------------|-------|
| A. Conversion of Bonds Tax Treatment | Tab 6 |
|--------------------------------------|-------|

**VII. REPORTS**

- |   |
|---|
| A. Adventist Health Tehachapi Valley Update – Edward Martin |
| B. TVHD CEO Report  |

**VIII. CLOSED SESSION**

**A. LEASE NEGOTIATIONS**

- Property: 116 West E Street, Tehachapi, CA 93561
- Negotiator: CEO/Legal Counsel
- Parties TVHD, Ruiz Foundation
- Under negotiation: term, rent

**IX. CLOSED SESSION REPORT**

**X. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

**XI. 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 W E 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 W E St., Tehachapi, California.

**TEHACHAPI VALLEY HEALTHCARE DISTRICT  
MINUTES OF THE BOARD OF DIRECTORS MEETING SPECIAL  
August 15, 2023, 10:00am**

**I. CALL TO ORDER**

President Nixon called the meeting to order at 10:00am

**Directors Present:** Lydia Chaney, Duane Moats, Mike Nixon, William Steele (teleconference)

**Directors Absent:** Carl Gehricke

**Others Present:** Peggy Mendiburu, CEO; Scott Nave, Legal Counsel, Edward Martin, Adventist Health

**II. FLAG SALUTE**

President Nixon led the flag salute.

**III. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

There were no public comments.

**IV. CONSENT AGENDA**

A. Approval of Minutes

1. Board Meeting minutes July 25, 2023

2. Receive and File, Strategic Committee Minutes July 20, 2023

**Consent agenda items approved via roll call; MSA: Chaney/Moats, 4-0; Gehricke absent.**

**V. OLD BUSINESS**

A. Resolution Director Benefits Sunset

Director Moats recommended sunset date of July 1, 2024 to begin self-pay for medical insurance for directors Discussion ensued with President Nixon recommending self-pay begin after term of 12/2026 for all directors and spouses going to self- pay for medical, dental, and vision.

**Tabled. Counsel Nave to revise resolution for consideration at September Board meeting.**

B. Transferring Wells Fargo Bank Account to Valley Strong

Per Counsel Nave, Emilio of Caldwell Flores is out. We want to ensure we are not violating any bond covenants.

**Tabled. To September Board Meeting.**

**VI. NEW BUSINESS**

A. None.

## **VII. REPORTS**

### **A. Adventist Health Tehachapi Valley Update (Edward Martin)**

- AH is participating in the Kern Equity Partners, a county initiative throughout Kern with approximately sitting on the committee. Working on strategic planning for health entities, culture, and education.
- AH is expecting a visit from Joint Commission and is working with the Tehachapi environment of care.
- AHTV has contracted for medical directorship at Woodward West.
- August 31, 2023 AH to hold a team building event at Fox Theatre.

### **B. TVHD Report (Peggy Mendiburu)**

- Attached.

## **VIII. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

- President Nixon inquired about status of medical office building. Edward Martin answered that another proforma is needed. Cost of supplies and equipment have gone up significantly.
- Director Steele commented he will return on October 1, 2023.

## **IX. CLOSED SESSION**

None

## **X. CLOSED SESSION REPORT**

None

## **XI. ADJOURNMENT**

President Nixon adjourned the meeting at 10:39am

Approved on September 19, 2023

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Lydia Chaney, Secretary

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
FINANCE COMMITTEE MINUTES - SPECIAL  
July 19, 2023, 12:30pm  
116 W E Street  
Tehachapi, CA 93561

**Board Members Present:** Duane Moats, Carl Gehricke

**Staff Present:** Peggy Mendiburu, CEO, Lisa Hughes, Business Manager

**Transcribed by:** Peggy Mendiburu

Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**I. CALL TO ORDER**

Director Moats called the Finance Committee Meeting to order at 12:30pm

**II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**III. APPROVAL OF MINUTES**

June 14, 2023 minutes approved. **MSA: Gehricke/Moats**

**IV. REPORTS**

**A. Finance Reports June 2023**

1. Net income was \$4607 for June. YTD positive at \$1.2M. Approximately \$8.9M in bank accounts. Working on transferring accounts to Valley Strong with exception of LAIF.
2. American Express  
Report reviewed and accepted.
3. Petty Cash  
Report reviewed and accepted.

**V. OLD BUSINESS**

**A. Tehachapi Humanitarian Group – Community Garden Fence Quotes**

1. Lisa to go forward with Brooks quote as no other quotes received.

**VI. NEW BUSINESS**

**A. FY 2023/24 Draft Budget**

The 2024 FY draft budget was reviewed with recommendation to go before the Board for approval.

**B. Report of Board of Directors Expenses FY 2022-2023**

Bylaws require report of paid expenses to board directors. Attached and will go before the Board. Director Moats commented that increase of medical insurance is \$30K.

**VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA**

1. None

**VIII. ADJOURNMENT**

Meeting adjourned at 1:28pm



TEHACHAPI VALLEY HEALHTCARE DISTRICT  
FINANCE COMMITTEE MINUTES  
June 14, 2023, 12:30pm  
116 W E Street, Tehachapi, CA 93561

**Board Members Present:** Duane Moats, Carl Gehricke  
**Staff Present:** Peggy Mendiburu, CEO, Lisa Hughes, Business Manager  
**Transcribed by:** Peggy Mendiburu

Approval:  Date: 7-25-2023

**I. CALL TO ORDER**

Director Moats called the Finance Committee Meeting to order at 12:30pm

**II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

None

**III. APPROVAL OF MINUTES**

May 10, 2023 minutes approved. **MSA: Gehricke/Moats**

**IV. REPORTS**

A. Finance Reports May 2023

1. Peggy reported net income negative at \$25,780.81 with YTD positive at \$1,147,400. We are meeting budget.
2. American Express  
Report reviewed and accepted.
3. Petty Cash  
Report reviewed and accepted.

**V. OLD BUSINESS**

A. Tehachapi Humanitarian Group – Community Garden Fence Quotes

Peggy has reached out to Lamont Fencing in Bakersfield for an additional quote. If not obtained, will move forward with Brooks next month.

B. Valley Strong

Per May's meeting, Peggy reached out to Bank of Sierra regarding a better rate. They could only provide us with term deposits. **Approved bringing transfer of funds from Bank of Sierra to Valley Strong to Board; MSA: Moats/Gehricke; 2-0**

**VI. NEW BUSINESS**

A. Wells Fargo Funds Transfer

Awaiting Counsel Nave's discussion with bond counsel to see if funds can be transferred.

B. FY 2023/2024 Draft Budget Review

Peggy provided draft budget for 2023/2024. Budget has increased by 10.3 percent due to increase in insurance and other variances. Discussion of director health benefits. **Peggy to add health benefits to June Board agenda per Director Moats.**

**VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA**

1.

**VIII. ADJOURNMENT**

Meeting adjourned at 1:12pm.





RESOLUTION NO. \_\_\_\_\_  
A RESOLUTION OF THE BOARD OF DIRECTORS OF  
TEHACHAPI VALLEY HEALTHCARE DISTRICT  
AMENDING THE BYLAWS REGARDING  
DIRECTOR BENEFITS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TEHACHAPI VALLEY HEALTHCARE DISTRICT as follows:

WHEREAS, the Board of Directors of Tehachapi Valley Healthcare District has adopted Bylaws that include provisions regarding Director benefits; and

WHEREAS, the Board desires to amend the Bylaws regarding Director benefits;

NOW, THEREFORE, BE IT RESOLVED that:

1. Section 7(b) of the Bylaws is amended as follows:

(b) Benefits.

Directors are entitled to certain specified benefits as follows:

- (1) Group medical coverage at the District's cost for active directors but not their dependents, and dental and vision benefits under the District's plans for directors and spouses at the District's cost until \_\_\_\_\_, at which time Directors and spouses may participate in the District's medical, dental, and vision benefits on a self-pay basis only. Dependents may participate on a self-pay basis as permitted by the District's plan as authorized by law.
- (2) Group medical, vision and dental plan coverage at the District's cost for retired Directors and their dependents if the Director first assumed office before January 1, 1995, and has served at least 12 consecutive years.
- (3) Group medical, vision and dental plan coverage, but not term life insurance, at the Director's cost, for retired Directors and their dependents if the Director is not eligible for District payment and if permitted by the District's health plan.

2. This amendment will take effect on September 19, 2023

3. Except as expressly stated herein, the Bylaws are readopted without change.

PASSED, APPROVED AND ADOPTED on September 19, 2023

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary



## TVHD BANK ACCOUNTS

<b>BOS</b>			
<b>BANK OF THE SIERRA</b>			
<u>TYPE</u>	<u>BALANCE AS 9/18/23</u>	<u>DESCRIPTION</u>	
CHECKING	\$ 40,470.83	DAILY OPERATION PAID EXPENSES (to be transferred to VS once checks and other accounts cleared)	
PAYROLL	\$ -	PAY EMPLOYEES (transferred to VS)	
IGT	\$ -	YEARLY PROGRAM FUND ACCOUNT FOR TRANSERS	
PROPERTY TAX	\$ 58,765.80	MONTHLY PROPERTY TAX PAYMENTS FROM KERN COUNTY	
<b>LAIF</b>			
	\$ 4,307,714.11	INTEREST ACCOUNT AND FOR TRANSFERING FOR IGT	
<b>WELLS FARGO BANK</b>			
	\$ 2,762,858.44	PAYING MONTHLY COMPUTERSHARE-AGENCY FEE, 115 WEST LOT PROJECT (1.6 MILLION) EXPENSES	
<b>VALLEY STRONG NEW ACCOUNTS</b>			
CHECKING	\$ 100.00	DAILY OPERATION EXPENSES (to be transferred from BOS once all checks clear)	
PAYROLL	\$ 52,070.93	EMPLOYEE STAFF	
MONEY MARKEY ACCT.	\$ 1,703,770.74	INTEREST ACCOUNT--PROPERTY TAX ACCT.	
IN-HOUSE SAVINGS ACCT.	\$ 5.00	BANK REQUIREMENT FOR MONEY MARKET ACCOUNT--1.6 115 WEST E. LOT PROJECT	
<b>BOND WELLS FARGO BANK</b>			
KERN CO. BONDS 2009 SER. 2013	\$ 55.84	GENERAL OBLIGATION BONDS	
KERN CO. ESCROW 2009 SER. 2013	\$ 1,963,221.14	REFUNDING ESCROW BONDS	
KERN CO. 2009 SER. 2021A	\$ 38,723.97	GENERAL OBLIGATION REFUNDING BONDS (CONVERTIBLE)	





# Tehachapi Valley Healthcare District

Kern County

## **2021 General Obligation Refunding Bonds Summary of Sale**

*December 14, 2021*

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

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



# 2021 Refunding Bond Issuance Milestones

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- September 21, 2021 – The Tehachapi Valley Healthcare District Board of Directors was presented with the opportunity to refinance (refund) some previously issued general obligation (G.O.) bonds to generate taxpayer savings over time
- October 19, 2021 – The Board directed staff and the finance team to proceed with a private placement transaction with the terms set out by Capital One
- November 9, 2021 – The Board approved the necessary legal documents to proceed with the issuance of the Refunding Bonds
- November 29, 2021 – Bids for the refunding escrow were received, and the Placement Agent generated the final payment schedule and total savings
- December 7, 2021 – The transaction closed, and bond proceeds were deposited with the Escrow Agent to be held until the respective prepayment dates for the refunded bonds

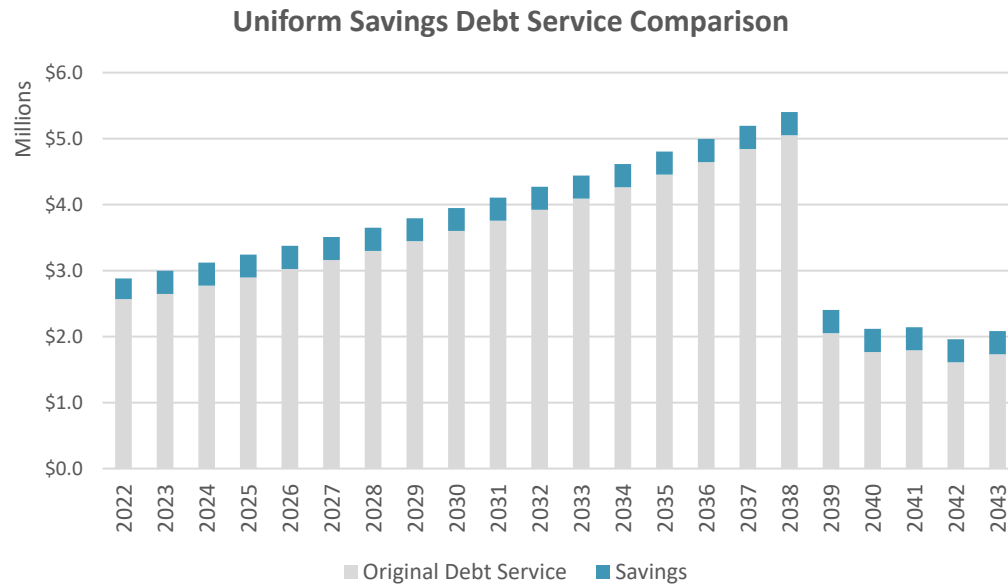
# Summary of Final Refunding Savings

- The District successfully sold \$53,985,000 in GO Refunding Bonds to refinance previously issued debt of the District resulting in over \$7.6 million in gross debt service savings, net of all transaction costs
- The All-In Cost of the Refunding Bonds of 2.88% represents an initial taxable interest rate of 3.25% through 11/1/2023 and a tax-exempt rate of 2.50% through maturity
- If the District elects to never convert the bonds to tax-exempt status, the resulting gross savings would be \$3,434,076 and the NPV savings would be \$2,279,683 over the life of the bonds

	Series 2013 Bonds	Cinderella Private Placement - Final
Principal Amount	\$48,530,000	\$53,985,000
Final Maturity	11/1/2043	11/1/2043
Average Coupon / All-In Cost	4.73%	2.88%
Average Annual Interest	\$1,387,723	\$791,302
Average Annual Debt Service	\$3,593,632	\$3,259,984
Total Debt Service	\$79,059,900	\$71,393,649
Average Annual Savings	N/A	\$348,466
Gross Debt Service Savings	N/A	\$7,666,251
Total Net Present Value (NPV) Savings	N/A	\$5,626,169
NPV Savings as a % of Refunded Par Amount	N/A	11.59%

# Annual Debt Service Savings

- The debt service savings have been applied uniformly over the life of the bonds resulting in an average annual debt service savings of \$348,466
- For a residence with an assessed value of \$200,000, the total savings are estimated to be approximately \$263 over the life of the bonds





# Summary of Financing Expenses

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- The total Costs of Issuance (COI) are approximately 0.86% of the principal of bonds sold
- The Placement Agent fee is charged for the marketing and sale of the District's bonds
- The contingency represents the remaining balance after all invoices have been paid; this amount will be transferred to the District following the closeout of the COI account
- Necessary legal documents will need to be prepared to execute the conversion of the bonds from taxable to tax-exempt status and therefore \$30,000 has been set aside to pay for the required legal services at the time of the conversion

Costs of Issuance (COI)	Vendor	Amount
<b>Delivery Date Expenses</b>		
Financial Advisory	CFW Advisory Services	\$ 75,000
Bond and Disclosure Counsel	Norton Rose Fulbright	75,000
Placement Agent	Piper Sandler	267,226
Paying Agent/Escrow Agent	Computershare Trust	5,000
Verification Agent	Causey Demgen & Moore	2,000
Contingency		8,724
<b>Subtotal Delivery Date Expenses</b>		<b>\$ 432,950</b>
Conversion Related Bond Counsel Fees	Norton Rose Fulbright	30,000
<b>Total COI</b>		<b>\$ 462,950</b>

# Next Steps

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- Taxpayer savings from the refunding will be realized starting in the 2022-23 tax year and continue through the 2048-49 tax year
- The District may complete the conversion process no sooner than August 1, 2023
- The conversion process will require a Tax Equity and Fiscal Responsibility Act (TEFRA) hearing before the conversion can be affected
- \$30,000 will be set aside in the transaction's COI account to pay for the necessary Bond Counsel services to complete the conversion process
- The District may elect not proceed with the conversion; however, the total estimated debt service savings would decrease substantially after November 1, 2023 if the refunding bonds remained federally taxable bonds instead of converting to tax-exempt bonds

# General Information Exclusion Disclosure

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**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.

**Tehachapi Valley Healthcare District  
Proposed Preliminary Timeline for G.O. Bond Conversion**

October 1	Notice of Request for Conversion (at least 30 days prior to Conversion Date)
No later than Oct 15	Acceptance/Rejection (within 15 days of Notice)
October 10	TEFRA Notice (7 days prior to hearing)
October 17	Board TEFRA Hearing
October TBD	Pre Closing
No later than Nov 1	Closing
November 1	Conversion Date

**TVHD CEO REPORT**  
**September 2023**

**District Finance Update July 2023**

- Working on FY23 audit with auditor.
- The majority of Bank of Sierra accounts have been transferred to Valley Strong. In only three weeks, we have earned \$3200 in interest.
- Working on terminating Healthland agreements and going solely to QuickBooks.

**District Administration Update**

- Community Resource Center survey has been placed in each newspaper for the month of September. I plan on ending survey October 31, 2023.
- TVHD participated in Peace Walk and Peace Art contest with Rotary. Walk occurred last Saturday. Thanks to Director Chaney for participating.
- We are preparing for the Say Yes summit that is to occur November 4, 2023.
- Fence is up for the community garden. We met with volunteers last Sunday and plan on beginning builds of raised beds in October. I am also working on a budget for project.
- The Guild has roof issues in both the shed and main building. Working on getting a roofer out to evaluate.
- Houchin Blood Drive to occur September 27, 2023, at 10am to 4pm, at the Tehachapi Vineyard Church. I'll text you all a link to schedule.

