

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS MEETING  
**MINUTES**  
116 W E Street  
Tehachapi, CA 93561  
August 18, 2020

4:30pm

**Board Present:** Mike Nixon, President; Sam Conklin, Vice-President; Duane Moats, Treasurer; Christine Sherrill, Secretary; William Steele

**Staff Present:** Lisa Hughes, Business Manager; Caroline Wasielewski, District Manager; Scott Nave, Counsel

**Guest Speakers:** Sam Itani, Adventist Health; Misty Cantrell, Adventist Health; Randy Weinstein.

**I. CALL TO ORDER**

President Mike Nixon called the meeting to order at 4:30 pm

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

No public present.

**IV. CONSENT AGENDA**

A. Approval of Minutes

1. Strategic Planning, 7/16/2020, Receive and File
2. Board Meeting, 7/21/2020, Receive and File

Consent Agenda Approval

**MSA: STEELE/SHERRILL; 5-0, APPROVED  
APPROVED**

**V. OLD BUSINESS**

A. Lease Agreement with Kern County Fire Department

District Manager Wasielewski explained that a lease for the use of the old hospital building would most likely interfere with the District's plans to do construction. TVHD will not enter into a lease with Kern County Fire Department at this time.

**W. NEW BUSINESS**

A. Update/Discussion 115 W E Street (Studio.)

**MSA; SHERRILL/STEELE; 5-0 APPROVED**

B. Lease Agreement with AH for 101 W E Street

Ms. Wasielewski informed the Board that Adventist Health would like to be on the Lease for 101 W E Street. This would include rent and the tenant responsibilities, which would include utilities and basic maintenance. According to legal counsel, since the lease was previously approved, it merely needs to be revised and will be brought back to the full board for full approval.

C. Future Construction at 1100 Magellan Drive (Adventist Health)

Misty Cantrell, representing Adventist Health, Tehachapi and Sam Itani, COO of Adventist Health Bakersfield spoke to the Board about a potential AH/TVHD partnership to complete an Imaging Pavilion and construct a medical office building on the Hospital campus. He provided a handout that showed a timeline of the construction and pointed out an 8-month delay in opening. He also stated there are still repairs going on that are expected to cost near \$1 million. He urged the Board to look at the future and the merits of a potential partnership with Adventist Health. The representatives from Adventist continued to describe the indoor imaging pavilion. Legal counsel Nave reminded the Board and Adventist that according to the lease agreement, any projects at the New Hospital over \$100,000 must have TVHD Board approval before commencing. He also mentioned a CEQA review may be required. He urged Mr. Itani and Ms. Cantrell to include the City of Tehachapi in their plans. After the presentation and discussion, Director William Steele made a motion to approve the Imaging Pavilion, subject to City approval and any required environmental review. Director Sam Conklin seconded the motion. There being no additional discussion, the board voted on the issue.

**MSA; STEELE/CONKLIN; APPROVED; 5-0**

Mr. Itani continued, presenting the concept of building a multi-disciplinary medical office building on the grounds of the New Hospital. The building will house the Primary Medical Care Clinic, Rehab Therapy, Medical Specialists, Nutrition Education, and a dental office. The total cost of the building is estimated to be \$8.4 million. The building would be on District land, proving to be a true partnership. It is Adventist's effort to keep Tehachapi Valley patients in Tehachapi. Mike Nixon and Scott Nave clarified that Mr. Itani was asking for approval of the concept of the medical building. He responded in the affirmative. A motion was entered to approve the concept of a Medical Office Building on the campus of the new hospital, subject to any required environmental review, regulatory issues and compliance issues.

**MSA; SHERRILL/STEELE; APPROVED; 5-0**

D. Master Facilities Lease 1100 Magellan Drive (Adventist Health)

Mr. Itani stated that according to Adventist Health, they exceeded the expected \$27 million in construction costs by \$12 million. Mr. Nave reminded the Board that they have limitations. Extending the lease could be an option. Mr. Steele commented that TVHD would need buy in from the community. Mr. Moats thought the Board could investigate the possibilities. Mr. Nave would like to talk to Adventist Health Legal advisors about the Lease Agreement. He stated that the

lease states that Adventist Health will pay for all construction costs up to at least \$27 million. Not that \$27 million was the most it would cost, but that it would cost at least \$27 million. Mr. Itani disagreed and pressed the Board to entertain consideration for the overage. Mr. Nave pointed out that the Board is restricted by law and cannot gift public funds. He also pointed out that an exchange of fair market consideration for both sides could be agreeable. Mr. Conklin asked how this conversation could begin. Mr. Nave said first the District must know what Adventist Health is looking for and what the consideration for the District would be. The Board agreed to table this issue until the next Board Meeting and in the meantime have Mr. Nave speak with legal counsel from Adventist Health.

## **VI. REPORTS**

### **A. Chief Financial Officer Report (Beedle)**

The cash flow report for the month of June was included in the packet. There were no comments or questions.

### **B. District Manager Report**

All items on the DM report had already been commented on by the Board and previously discussed.

### **C. Strategic Planning Report (Nixon)**

Mike Nixon urged the Board members to review the architectural plans and submit feedback to District Manager Wasielewski.

### **Board of Director Travel**

None

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

- A. Director William Steele thanked Scott Nave, District legal counsel, for his legal expertise.

## **VIII. ADJOURNMENT**

Meeting adjourned at 5:32 pm

Respectfully,



Christine Sherrill  
Secretary