

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

Date: October 26, 2023, 10:00am

Place: Tehachapi Valley Healthcare District Office

116 W E Street

Tehachapi, CA 93561

Time: 10:00am

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

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

Director Moats will be joining from: 4555 Emmalani Drive, Princeville, Hawaii, 96722

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. DIRECTOR COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

V. OPEN PUBLIC HEARING

- A. Tax and Equity Fiscal Responsibility Act (TEFRA) Hearing Tab 1
Reissuance of bonds to be federally tax-exempt and exempt from
State of California personal income taxes

VI. CLOSE PUBLIC HEARING

VII. 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 Meeting August 15, 2023 Minutes Tab 2
2. Receive and File, Finance Committee Minutes 09/13/23 Tab 3
3. Receive and File, Community Outreach Minutes 06/13/23 Tab 4
4. Receive and File, Strategic Planning Minutes 08/10/23 Tab 5

VIII. OLD BUSINESS

- A. None

IX. NEW BUSINESS

A. None.

VII. REPORTS

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

VIII. CLOSED SESSION

A. LEASE NEGOTIATIONS

- Property 116 West F Street, Tehachapi, CA 93561
- Negotiator: CEO/Legal Counsel
- Parties: TVHD/Adventist Health

B. CLOSED SESSION REPORT

IX. ADJOURNMENT

<u>NOTICE TO THE PUBLIC</u>
<p><u>PUBLIC COMMENT PERIOD FOR REGULAR MEETINGS</u></p> <p>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.</p>
<p><u>COPIES OF PUBLIC RECORDS</u></p> <p>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.</p>
<p><u>COMPLIANCE WITH ADA</u></p> <p>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.</p>

BOARD OF DIRECTORS

TEHACHAPI VALLEY HEALTHCARE DISTRICT

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that at 10:00 a.m., or as soon thereafter as the matter can be heard, on Thursday, October 26, 2023, a public hearing (the “Public Hearing”) will be held by the Board of Directors of the Tehachapi Valley Healthcare District (the “District”) with respect to the proposed reissuance (for federal income tax purposes) of certain outstanding bonds defined below as the Bonds by the District in an aggregate principal amount of \$52,070,000, the interest on which is intended to be federally tax-exempt and exempt from State of California personal income taxes. The Bonds as so reissued are intended to qualify as “qualified 501(c)(3) bonds.” The Public Hearing is intended by the District to comply with the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations thereunder.

In 2013, the District issued its \$50,000,000 General Obligation Bonds, Election of 2009, Series 2013 (the “2013 Bonds”), to finance a portion of the cost of a new hospital located at 1100 Magellan Drive, Tehachapi, California 93561, which opened in 2018 (the “Project”), and to pay for costs of issuance of the 2013 Bonds. In 2016, the District entered into a Master Facilities Lease (“Master Facilities Lease”), by and between the District and Adventist Health Medical Center Tehachapi (“Adventist”), a nonprofit corporation qualified under Section 501(c)(3) of the Code, and an Affiliation Agreement, by and among the District, Adventist and Adventist Health System/West, a California nonprofit religious corporation d/b/a Adventist Health, concerning the lease and use by Adventist of certain of the District’s hospital facilities (together, the “Adventist Lease”). Amounts received from Adventist were used to build a portion of the Project. In 2021, the District issued its taxable \$53,985,000 General Obligation Refunding Bonds, Election of 2009, Series 2021 (Convertible) (the “Bonds”), \$52,070,000 aggregate principal amount of which remains outstanding, to advance refund the 2013 Bonds on a taxable basis, subject to conversion, and to pay the costs of issuance of the Bonds.

The Project is owned by the District and operated by Adventist, and is used for healthcare purposes. The Bonds are general obligation bonds of the District, and Kern County is empowered and is obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of interest on and principal of the Bonds, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates).

The Public Hearing will be held in the District’s Administrative Office Building, which is located at 116 West E Street, Tehachapi, California, 93561. Interested persons wishing to express their views on the reissuance of the Bonds, the nature or location of the Project, or the plan of refinancing for the Project, may attend the Public Hearing or participate telephonically, or, prior to the time of the hearing, submit written comments, which must be received prior to the public hearing, to Tehachapi Valley Healthcare District, Attention: Clerk of the Board, 116 West E Street, Tehachapi, California 93561. Information for participating telephonically in the Public Hearing is as follows:

Dial-in : 1-347-566-2771

Access Code: 932899372#

Date: October 26, 2023

Additional information concerning the above matter may be obtained from, and written comments should be addressed to Ms. Peggy Mendiburu, Chief Executive Officer of the District, 116 West E Street, Tehachapi, CA 93561, (661) 750-4843, pmendiburu@tvhd.org.

Date: October 18, 2023

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEHACHAPI VALLEY HEALTHCARE DISTRICT APPROVING THE DEEMED “REISSUANCE” FOR CERTAIN FEDERAL INCOME TAX PURPOSES OF CERTAIN TAX-EXEMPT BONDS THAT WERE ORIGINALLY ISSUED TO FINANCE AND REFINANCE CAPITAL IMPROVEMENTS WITH RESPECT TO CERTAIN HEALTH CARE FACILITIES

WHEREAS, the Tehachapi Valley Healthcare District (the “District”) previously issued its “Tehachapi Valley Healthcare District (Kern County, California) General Obligation Bonds, Election of 2009, Series 2013” (the “Prior Bonds”), in the original principal amount of \$50,000,000, to finance a portion of a new hospital to be located at 1100 Magellan Drive, Tehachapi, California 93561 (the “Project”); and

WHEREAS, in 2016, following a public hearing held by the Board of Directors of the District, the District entered into a Master Facilities Lease, by and between the District and Adventist Health Medical Center Tehachapi (“Adventist”), a nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”), and an Affiliation Agreement, by and among the District, Adventist and Adventist Health System/West, a California nonprofit religious corporation d/b/a Adventist Health concerning the lease and use by Adventist of certain of the District’s hospital facilities, including the Project (together, the “Adventist Lease”); and

WHEREAS, the Project is owned by the District and operated by Adventist, and is used for healthcare purposes; and

WHEREAS, on December 7, 2021, the District issued its General Obligation Refunding Bonds, 2009 Election, 2021 Series A (the “Bonds”), in the aggregate principal amount of \$53,985,000, pursuant to Resolution No. 21-04 of the Board of Directors of the District (the “Resolution”), adopted on November 9, 2021, for the purpose of advance refunding on a taxable basis, subject to conversion, the District’s outstanding Prior Bonds, to refinance the Project; and

WHEREAS, the Bonds were privately placed and acquired by Capital One Public Funding, LLC (the “Lender”); and

WHEREAS, the District and the Lender have agreed to convert the interest rate on the Bonds to the tax-exempt rate specified in the Resolution, on November 1, 2023 (the “Conversion Date”), which conversion will constitute a reissuance for federal income tax purposes of the Bonds, the interest on which is intended to be federally tax-exempt and exempt from State of California personal income taxes; and

WHEREAS, the Bonds as so reissued (the “Reissued Bonds”), in the aggregate principal amount of \$52,070,000, are intended to qualify as “qualified 501(c)(3) bonds” under the Code, and the Project will be deemed to be refinanced by the Reissued Bonds; and

WHEREAS, the Reissued Bonds are general obligation bonds of the District, and Kern County is empowered and is obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of interest on and principal of the Reissued Bonds, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates); and

WHEREAS, pursuant to Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder, the reissuance of the Reissued Bonds by the District must be approved by the District because the Reissued Bonds are deemed to be reissued by the District, which is a local governmental unit within the meaning of Section 1.103-1 of the Treasury Regulations (“issuer approval”), and because the Project is located within the geographic jurisdiction of the District (“host approval”); and

WHEREAS, the Board of Directors of the District (the “Board”) is the elected legislative body of the District and is therefore an “applicable elected representative” of the District, which is required to approve the reissuance of the Reissued Bonds under Section 147(f) of the Code and the Treasury Regulations promulgated thereunder;

WHEREAS, pursuant to Section 147(f) of the Code, and the Treasury Regulations promulgated thereunder, the Board of Directors has, following notice duly given, caused to be held a public hearing regarding the reissuance of the Reissued Bonds, has received a summary of any views expressed by interested persons at the public hearing and now desires to approve the reissuance of the Reissued Bonds by the District;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Tehachapi Valley Healthcare District, County of Kern, State of California (the “Board”), as follows:

Section 1. The Board, as an applicable elected representative of the District, hereby approves the reissuance of the Reissued Bonds by the District for the purpose of refinancing the Project. It is the purpose and intent of the Board that this Resolution constitute both issuer approval and host approval of the reissuance of the Reissued Bonds by the District as the District is the governmental unit reissuing the Reissued Bonds and having jurisdiction over the area in which the Project is located, in accordance with Section 147(f) of the Code and the Treasury Regulations promulgated thereunder.

Section 2. The President of the Board of Directors, the Treasurer, and the Chief Executive Officer, or their designees, are each hereby authorized and directed to do any and all things and to execute and deliver any and all documents that they deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution and the refinancing transaction approved hereby.

Section 3. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED at a special meeting of the Tehachapi Valley Healthcare District Board of Directors held on the 26th day of October, 2023, by the following vote:

AYES: _____, _____, _____,

NOES: _____, _____

ABSENT: _____, _____

ABSTAIN: _____, _____

President, Board of Directors
Tehachapi Valley Healthcare District

ATTEST:

Secretary, Board of Directors
Tehachapi Valley Healthcare District

**TEHACHAPI VALLEY HEALTHCARE DISTRICT
MINUTES OF THE BOARD OF DIRECTORS MEETING SPECIAL
September 20, 2023, 8:30am**

I. CALL TO ORDER

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

Directors Present: Lydia Chaney, Duane Moats, Mike Nixon, Carl Gehricke, William Steele (remote)

Others Present: Peggy Mendiburu, CEO; Scott Nave, Legal Counsel; Lisa Hughes, Business Manager; Claudia Elliott, Tehachapi News

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 08/15/2023
2. Receive and File Finance minutes 06/14/23
3. Receive and File, Finance Committee, 07/19/23

Consent agenda items approved. MSA: Gehricke/Chaney, 5-0; roll call

V. OLD BUSINESS

A. Director Benefits

Per Counsel Nave, all directors and staff are treated the same in regards to benefits. One director cannot be singled out. Per last meeting, a sunset date to discontinue benefits was discussed for all directors. Director Chaney commented that effective 12/31/23, she will not utilize the medical insurance anymore.

MSA: Steele/Gehricke, 3-0; Roll call: Steele aye; Gehricke aye; Chaney abstained; Nixon abstained; Moats aye. Peggy directed to revise resolution with directors going to self pay after 12/31/23 and remove #2 of resolution.

B. Reorganization of District Bank Accounts

Bond representative Emilio Flores presented on Bond Wells Fargo accounts.

- General Obligation Bonds (\$55.84) should be utilized on bond expenditures and can be moved to Valley Strong.
- Refunding Escrow Bonds (\$1.963221.14) Escrow account, which pays bonds up to 11/01/23 and will be fully paid out by 2023 and go away with the original bond holders.

- GO Refunding Bonds Convertible (\$38,723.97) This is cost of issuance set aside for conversion. Funds to be utilized for any legal expenses. If not converted, these funds should be returned to debt service account as a savings to taxpayers.
- Peggy presented on general accounts:
 - Bank of Sierra accounts all closed and funds transferred to Valley Strong.
 - LAIF (\$4.3M) To remain open with IGT funds transferred to this account.
 - Wells Fargo Account (\$2.7M) Currently used for monthly Computershare Agency Fee. Peggy to transfer funds to Valley Strong and to track funds in house for future project.

VI. NEW BUSINESS

A. Conversion of Bond Tax Treatment (presented first on agenda)

Maryann Goodkind, Bond Counsel, presented on the refinancing the 2013 Bond (\$50M). Next steps are to approach bond holder and provide a public notice to allow comment. Capital One has option to convert to tax exempt. Current rate is 3.25%. If Capitol One agrees, rate would drop to 2.5 percent. We will provide notice to request conversion by October 1, 2023; Capitol One has have fifteen days to accept or deny.

VII. REPORTS

A. Adventist Health Tehachapi Valley Update (Edward Martin)

- Not present.

B. TVHD Report (Peggy Mendiburu)

- Report attached.

VIII. BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

- None.

IX. CLOSED SESSION

A. Lease Negotiations

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

X. CLOSED SESSION REPORT

Counsel Nave reported that ease negotiation discussed for 116 West E Street, Tehachapi, CA 93561. CEO presented rent increase to \$700 and termination notice at three months. No other items were discussed. **MSA: Chaney/Moats; 5-0; Roll calls; Approved rent increase and change to notice.**

XI. ADJOURNMENT

President Nixon adjourned the meeting at 9:35am

Approved on the ___ day of October 2023.

Lydia Chaney, Secretary

TEHACHAPI VALLEY HEALTHCARE DISTRICT
FINANCE COMMITTEE MINUTES
September 13, 2023
116 W E Street
Tehachapi, CA 93561
12:30 PM

Board Members Present: Lydia Chaney, Carl Gehricke

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

Director Excused: Duane Moats

Transcribed by: Lisa Hughes & Peggy Mendiburu

Approval: _____ Date: _____

I. CALL TO ORDER

Director Gehricke 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 & July 19, 2023 minutes approved. **MSA: Gehricke/Chaney**

IV. REPORTS

A. Finance Reports July & August 2023

Committee reviewed finance report for July 2023. Director Chaney commented that check #2291 amount and written are different and verify the correct amount was cashed. CEO Mendiburu request personal check information be blacked out for privacy. YTD net income at \$401,500.00.

B. American Express

Committee reviewed American Express for July & August 2023. Director Chaney asked when C. Wasielewski Amex card will be closed.

C. Petty Cash

Committee reviewed August 2023 receipts, everything looks good.

V. OLD BUSINESS

A. Tehachapi Humanitarian Group – Community Garden Fence

1. Has been installed, Director Gehricke commented on his concern on the ground for walking. Rocks, gravel were mention for ground cover. Flower beds for public will be raised beds. It was mention that Jake's restaurant would like to have a Vegetable bed for their restaurant when set up.
2. Groups are now meeting the last Sunday of each month.
3. The groups hope to start building beds at the new site.

B. 116 West E. St. building A/C

1. Has been installed and Ruiz have paid their portion of the lease agreement of \$4,019.60.

C. 116 West F. Street parking lot

1. Sinkholes have been repaired for the second time in same place. CEO, Mendiburu requested AH to park Medical Bus on the East side of the parking lot.

VI. **NEW BUSINESS**

A. Ruiz rent increase

1. Due to new A/C, monthly rent has increase from \$500.00 to \$700.00. TVHD has signed a new month to month lease, prior lease was up 2023.

VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA

VIII. **ADJOURNMENT**

Meeting adjourned at 1:25pm.

Tehachapi Valley Healthcare District
Community Outreach Committee Meeting
Minutes
June 13, 2023
116 W E Street, Tehachapi, CA
12:00 PM

I. CALL TO ORDER

Director Chaney called the meeting to order.

II. PRESENT

Director Lydia Chaney; Peggy Mendiburu, CEO; Lisa Hughes, Business Manager; Pat Doody, Tehachapi News

PUBLIC COMMENTS

None

III. APPROVAL OF MINUTES

The May 9, 2023 minutes were approved. **MSA: Mendiburu/Moats**

IV. OLD BUSINESS

A. Community Garden Fence Quotes (Peggy Mendiburu)

Peggy reached out to Lamont Fencing Company who comes to east Kern specific days of the month. If quote not obtained by next meeting, will go forward with original contractor.

B. Water for Garden Parcel (Lisa Hughes)

Lisa is waiting to reach out to the City until a fencing quote is obtained.

C. CPR Booklets and AED Supply Cost (Steele/Hughes)

Bill Steele in Alaska and was to obtain quotes and if partnering with Cero Coso College, booklets would not be needed.

D. AED Purchase for TVHD Office

The AED has been purchased. We are awaiting arrival.

V. NEW BUSINESS

A. Little Free Library Content

Lisa inquired about type of books to place in library. We are registered and have a subscription to newsletter. Both directors agreed to no political content. Lydia offered to create bookmarks for library. Green box is for suggestions to the District.

VI. REPORTS

B. TVHD Updates (see attached)

- Highlighted participation of City Flagpole, volunteering as servers at Rotary Tea, and Make a Wish participation. Will attend Chamber of Commerce next week.

C. Adventist Updates

No AH representative present.

VII. BOARD COMMENTS NOT APPEARING ON THE AGENDA

None.

VIII. ADJOURNMENT

Director Chaney adjourned meeting at 12:27pm

Minutes approved by: _____
Lydia Chaney

TEHACHAPI VALLEY HEALTHCARE DISTRICT
STRATEGIC PLANNING
MINUTES
August 10, 2023
12:30 pm

Board Members Present: Mike Nixon, Lydia Chaney

Staff Present: Peggy Mendiburu, CEO

Guest Present:

Transcribed by: Peggy Mendiburu

Approval: _____ **Date:** _____
Mike Nixon, Chair

COMMITTEE ACTIONS AND DIRECTION SHOWN IN CAPS AND BOLD

I. CALL TO ORDER

II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

None

III. APPROVAL OF MINUTES

A. July 20, 2023 Strategic Planning minutes approved. MSA: Chaney/Nixon

IV. NEW BUSINESS

None.

V. OLD BUSINESS

A. New Survey Community Resource Center

Peggy shared surveys received so far. Many want to see an urgent care in Tehachapi.

VI. REPORTS

None

VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA

None.

VIII. Adjournment

The meeting adjourned at 1:40pm.

