

TEHACHAPI VALLEY HEALTHCARE DISTRICT

FINANCE COMMITTEE MEETING

AGENDA

September 14, 2021

12:30 PM

Teleconference Meeting

Phone 661-750-4797

Tehachapi Valley Healthcare District Office
116 W E Street, Tehachapi CA 93561

I. CALL TO ORDER

II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

This portion of the meeting is reserved for persons desiring to address the Committee on any matter not on the agenda over which the District has jurisdiction. You may state your name and address for the record. Time is limited to 3 minutes per speaker. The Committee can take no action on your presentation but can seek clarification to points made in your presentation or comments. Additionally, members can ask staff for factual information, refer the item to staff and/or calendar the item on a future agenda. Any person desiring to speak on an agenda item will be given an opportunity to do so prior to the Committee taking action on the item.

III. APPROVAL OF MINUTES

- A. Approval of August 11, 2021 Finance Committee Minutes Tab 1

IV. REPORTS

- A. Finance Reports August 2021
1. August 2021 Cash Flow (Wasielewski) Tab 2
 2. August 2021 Check Register Tab 3
 3. August 2021 Current Bank Balance Statements (Wasielewski) Tab 4

V. OLD BUSINESS

None

VI. NEW BUSINESS

- A. DHCS IGT Contribution Update
B. GO Bonds Refinancing

VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA

VIII. ADJOURNMENT

TEHACHAPI VALLEY HEALTHCARE DISTRICT

FINANCE COMMITTEE MINUTES

AUGUST 11, 2021

VIA TELECONFERENCE

661-750-4797

12:30 PM

116 W E STREET, TEHACHAPI, CA 93561

BOARD MEMBERS PRESENT: DUANE MOATS

STAFF PRESENT: LISA HUGHES, BUSINESS MANAGER; CAROLINE WASIELEWSKI, CEO

RECORDED AND TRANSCRIBED BY: CAROLINE WASIELEWSKI, CEO

APPROVAL: _____ DATE: _____

COMMITTEE ACTIONS AND DIRECTIONS SHOWN IN CAPS AND BOLD

- I. CALL TO ORDER
Duane Moats called the Finance Committee Meeting to order at 12:30 PM
- II. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA
None
- III. APPROVAL OF MINUTES
MAY 12, 2021 MINUTES
MSA MOATS/WASIELEWSKI; APPROVED
- IV. REPORTS
 1. JULY 2021 STATEMENT OF CASH FLOWS
CEO Wasielewski and the committee reviewed the statement of cash flows.
 2. JULY 2021 CHECK REGISTER
Ms. Wasielewski explained the check register for July 2021. There were no questions.
 3. JULY 2021 BANK STATEMENT
Ms. Wasielewski reviewed the bank statement. All items were accounted for.

V. OLD BUSINESS

Update on 115 W E Street Building

The demolition is on hold until Southern California Edison can remove all the electric meters and disconnect from the street.

VI. NEW BUSINESS

FY21 AUDIT PROCESS

Ms. Wasielewski reported that staff has been working with Auditor Rick Jackson and almost all items are submitted. All is on time. She Thanked Lisa Hughes for her organization and collection of items.

VII. BOARD COMMENTS ON BUSINESS NOT APPEARING ON THE AGENDA

None

VIII. ADJOURNMENT

THE MEETING WAS ADJOURNED AT 12:57 PM

Cash Flow

Tehachapi Valley Healthcare District
8/1/2021-8/31/2021

Starting Balance General

50,000

Cash Receipts

Bad Debt Recovery
 Private Pay
 Rents/Refunds
 Property Taxes

	617
	105
	2,724
	14,251
Total Cash Received	17,697
Total General	67,697

Cash Out

Wages
 Professional Fees
 Fringe Benefits
 Office Supplies
 Business Expenses
 Utilities
 Contract Labor
 Bank Fees
 Other

	14,164
	11,310
	2,080
	388
	5,651
	937
	360
	381
	2,469
Total Expenses	37,740

Net Cash Balance - General

29,957

Other Accounts

C, Property Tax, Payroll, IGT/Grants, Fund Dep, Med Overpmt, Sweep

1,684,961

Total Cash Balance

1,714,918

Check Register Report

Application Code: AP

User Login Name: cwasiolewski

Bank Code	Check #	Check Date	Description	Status	Check Type	Amount
1	141088	08/02/21	BEEDLE, CHET		C	500.00
1	141089	08/02/21	BETA HEALTHCARE GROUP		C	597.19
1	141090	08/02/21	E.R. MOORE TERNITE & PEST CONT		C	80.00
1	141091	08/02/21	HUMANA INSURANCE CO.		C	545.14
1	141092	08/02/21	LUIS & CONSUELO RUIZ		C	500.00
1	141093	08/02/21	STREAMLINE		C	200.00
1	141094	08/02/21	UNITEDHEALTHCARE		C	1,476.30
1	141095	08/02/21	WITT'S		C	106.49
1	141096	08/05/21	AMERICAN EXPRESS		C	611.81
1	141097	08/05/21	MATSON ALARM CO INC		C	35.00
1	141098	08/05/21	PETTY CASH		C	15.00
1	141099	08/05/21	SHRED-IT USA LLC		C	340.58
1	141100	08/05/21	WELLS FARGO BANK		C	331.09
1	141101	08/05/21	WITT'S		C	140.82
1	141102	08/12/21	ALEX AND EMMA CLEANING SERVICE		C	80.00
1	141103	08/12/21	BETA HEALTHCARE GROUP		C	597.19
1	141104	08/12/21	DELFIN TORIBIO		C	100.00
1	141105	08/12/21	TALX CORPORATION		C	75.00
1	141106	08/12/21	TOSHIBA FINANCIAL SERVICES		C	507.02
1	141107	08/18/21	ALEX AND EMMA CLEANING SERVICE		M	100.00
1	141108	08/19/21	DIAMOND TECHNOLOGIES, INC		C	2,861.46
1	141109	08/19/21	HEALTHLAND		C	1,404.89
1	141110	08/19/21	JWT & ASSOCIATES, LLP		C	6,380.00
1	141111	08/19/21	MITEL CLOUD SERVICES		C	228.21
1	141112	08/19/21	MOATS, DUANE R.		C	300.00
1	141113	08/19/21	NIXON, MIKE		C	200.00
1	141114	08/19/21	SHRED-IT USA LLC		C	169.87
1	141115	08/19/21	STEELE, BILL		C	300.00
1	141116	08/26/21	AFLAC		C	39.12
1	141117	08/26/21	CA PUBLIC EMPLOYEE & RETIREMEN		C	501.73
1	141118	08/26/21	CITY OF TEHACHAPI		C	427.94
1	141119	08/26/21	GAS COMPANY		C	18.92
1	141120	08/26/21	POSTMASTER		C	50.25
1	141121	08/26/21	SOUTHERN CALIF EDISON		C	942.70
2	2263	08/12/21	J. NOBLE BINNS PLUMBING CO., I		M	310.00
2	2264	08/12/21	WELLS FARGO BANK		M	750.00
Grand Total:						21,823.72

Total Number of Checks Printed: 36








Bank Code: From 1 To 2

Check No: From 1000 To 141131

Check Date: From 08/01/21 To 08/31/21

Check Type: All

Check Status: All

ACTIVE	INACTIVE
Cash	\$1,732,934.93
General Chk 8569  Checking	\$49,900.00 >
Sweep 8599  Checking	\$21,795.36 >
Payroll Acct 8577  Checking	\$10,442.19 >
Prop Tax Fund 5470  Checking	\$1,260,668.13 >
McareMcal Ovrp 2670  Checking	\$6,224.66 >
IGT Grants 6217  Checking	\$337,198.78 >
Funded Deprec 8670  Checking	\$46,705.81 >



Analyzed Business Checking - PF

Account number: 9357170290 ■ August 1, 2021 - August 31, 2021 ■ Page 1 of 1

**WELLS
FARGO**

TEHACHAPI VALLEY HEALTHCARE DISTRICT
BOND PROCEEDS DISBURSEMENT ACCT
PO BOX 669
TEHACHAPI CA 93581-0669

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (114)
P.O. Box 6995
Portland, OR 97228-6995

Account summary

Analyzed Business Checking - PF

Account number	Beginning balance	Total credits	Total debits	Ending balance
9357170290	\$3,218,111.69	\$331.09	-\$1,060.00	\$3,217,382.78

Credits

Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	08/09	331.09	Bank By Mail Deposit
		\$331.09	Total electronic deposits/bank credits
		\$331.09	Total credits

Debits

Checks paid

Number	Amount	Date	Number	Amount	Date
2263	310.00	08/16	2264	750.00	08/16
		\$1,060.00	Total checks paid		
		\$1,060.00	Total debits		

Daily ledger balance summary

Date	Balance	Date	Balance	Date	Balance
07/31	3,218,111.69	08/09	3,218,442.78	08/16	3,217,382.78
Average daily ledger balance		\$3,217,810.24			

California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

September 01, 2021

LAIF Home
PMIA Average Monthly
Yields

TEHACHAPI VALLEY HEALTHCARE DISTRICT

ADMINISTRATOR
P.O. BOX 1900
TEHACHAPI, CA 93581-1900

Tran Type Definitions

Account Number: 20-15-003

August 2021 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	3,392,071.87
Total Withdrawal:	0.00	Ending Balance:	3,392,071.87



Tehachapi Valley Healthcare District

Kern County

Opportunity to Refinance GO Bonds

August 27, 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

Background of the District and CFW

- Tehachapi Valley HCD and CFW have partnered for nearly 20 years to help meet the District's vision for quality, accessible healthcare close to home
- In March 2004, TVHCD voters overwhelmingly approved a \$15 million bond authorization, Measure "J" at a 79.8% approval
- As the District's Financial Advisor, CFW assisted with the successful sale of all Measure "J" General Obligation Bonds to finance facility improvements
- As the scope of the Hospital's facility improvement program was expanded, the District obtained voter approval for Measure "A" in November 2009 authorizing the sale of an additional \$50 million in bonds to complete the construction and improvement of a hospital facilities to meet state mandated earthquake and safety standards, improves the quality of local healthcare, and expand intensive care and maternity services

- Given the current near historic low interest rate environment, CFW has identified an opportunity to refinance some of the District's outstanding bonds to reduce interest costs and save local taxpayers money

Partial List of Local Residents Endorsing MEASURE "A":
Lisa Perkins, President, Greater Tehachapi Chamber of Commerce
Linda Verwey, Mayor, Tehachapi
Alice Jackson, President, Greater Tehachapi Economic Development Council
Phil Smith, Mayor Pro-Tem, Tehachapi
David James, Community Planning Director, City of Tehachapi
Tim Klobielack, Chair-Elect, Greater Tehachapi Chamber of Commerce
Kern Co. Special Projects Coordinator
Mary Beth Garrison, Golden Hills
Lara Bernard, Chairwoman, Greater Tehachapi Chamber of Commerce
Fernando Gonzalez, Action Wardens, CDR/DCI
Cecilia Price, Regional Manager of Allstate Federal Credit Union
AND MORE THAN 500 OTHERS!!!

TEHACHAPI NEWS
Vote for the new hospital

Wednesday, October 28, 2009
By Chris George
Managing Editor, Tehachapi News

"... It's hard enough for a heart attack or stroke victim in the Tehachapi area to get to a hospital in the golden hour where doctors can do them the most good. A trip to Bakersfield and Lancaster just puts those patients at higher risk."
"... So I urge you to support this bond issue on Nov. 3. Let's build this hospital and get on with pursuing happiness."

Summary of Opportunity to Refinance Bonds

- The District may have an opportunity to refinance (refund) some previously issued general obligation (G.O.) bonds to generate over \$4 million in taxpayer savings, based on current market conditions and assuming a credit rating of A3 or higher
- The 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 savings estimate is net of all transaction costs
- The transaction may be completed within 60 days of Board approval

Note: All figures are preliminary estimates based on prevailing market conditions and a minimum credit rating of "A3", and are subject to change

NEW ISSUE — FULL BOOK ENTRY

INSURER RATING: S&P: "A+"
UNDERLYING RATING: Moody's: "A2"
(see "RATINGS" herein)

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the tax concerns identified herein, and the absence of certain conditions, the Bonds described herein will be tax-exempt interest for the purposes of the Federal Income Tax Code of 1986, as amended, and the interest on the Bonds is excluded from gross income for federal income tax purposes under Section 101 of the Internal Revenue Code. Bond Counsel is of the opinion that such interest is not treated as preference items in calculating the alternative minimum tax imposed under the Code with respect to individuals and corporations. Bond Counsel is further of the opinion that interest on the Bonds is exempt from personal income taxes of the State of California under present State law. See "TAX MATTERS" herein regarding certain other tax considerations.

\$50,000,000 TEHACHAPI VALLEY HEALTHCARE DISTRICT (Kern County, California) GENERAL OBLIGATION BONDS 2009 ELECTION, SERIES 2013

Date of Delivery

The Tehachapi Valley Healthcare District (the "District") is issuing \$50,000,000 aggregate principal amount of its General Obligation Bonds, Series 2013 (the "Bonds"). The Bonds are being issued in fully registered form as current interest bonds and, when delivered, will be registered in the name of Code & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds described herein under the caption "THE BONDS." — Book-Entry Only System.

The Bonds will be issued pursuant to the terms of Chapter 4 of Division 23 (commencing with Section 42100) of the California Health and Safety Code and the provisions of a resolution of the Board of Directors of the District adopted on March 20, 2013 (the "Resolution"). The Bonds are being issued to finance the construction and improvement of certain facilities of the District and to pay the costs of issuance of the Bonds. The Bonds are payable as to both principal and interest from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District which taxes are unlimited as to rate or amount. The District voters approved the issuance of not to exceed \$50,000,000 principal amount of general obligation bonds of the District by more than two-thirds of the votes cast by eligible voters within the District at an election conducted on November 3, 2009 (the "Authorization"). The Bonds are being issued in the full amount of the Authorization. All general obligation bonds of the District are issued on a parity with one another.

The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover hereof. Interest on the Bonds is payable on May 1, 2014, and semiannually thereafter on each May 1 and November 1. Principal on the Bonds is payable annually on each November 1, commencing on November 1, 2014. See "THE BONDS" herein.

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS" — "Optional Redemption" and "Mandatory Sinking Fund Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due shall be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ANNUAL COMPANY.



MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision respecting purchase of the Bonds.

The Bonds are offered by the Underwriter, who, on and if issued by the District and accepted by the Underwriter, subject to approval of Lemnace & O'Neill, Real Estate Village, California, and for the Underwriter by Standing Tower Carlson & Blaine, a Professional Corporation, San Francisco, California. It is expected that the Bond in definitive form will be available for delivery through the facilities of DTC on or about June 15, 2013.

RBC CAPITAL MARKETS

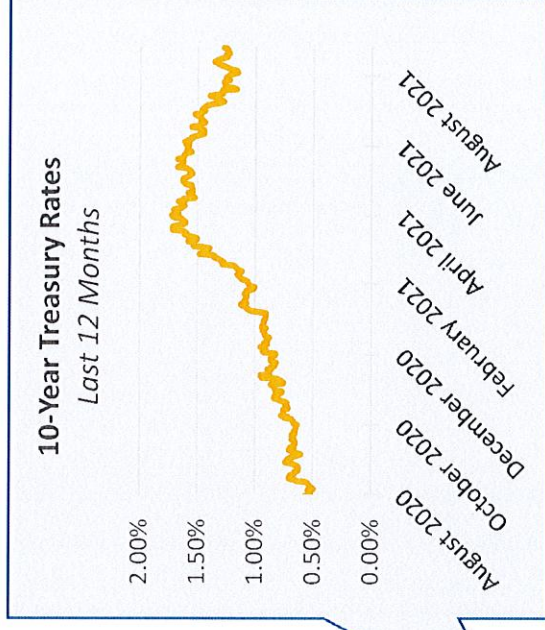
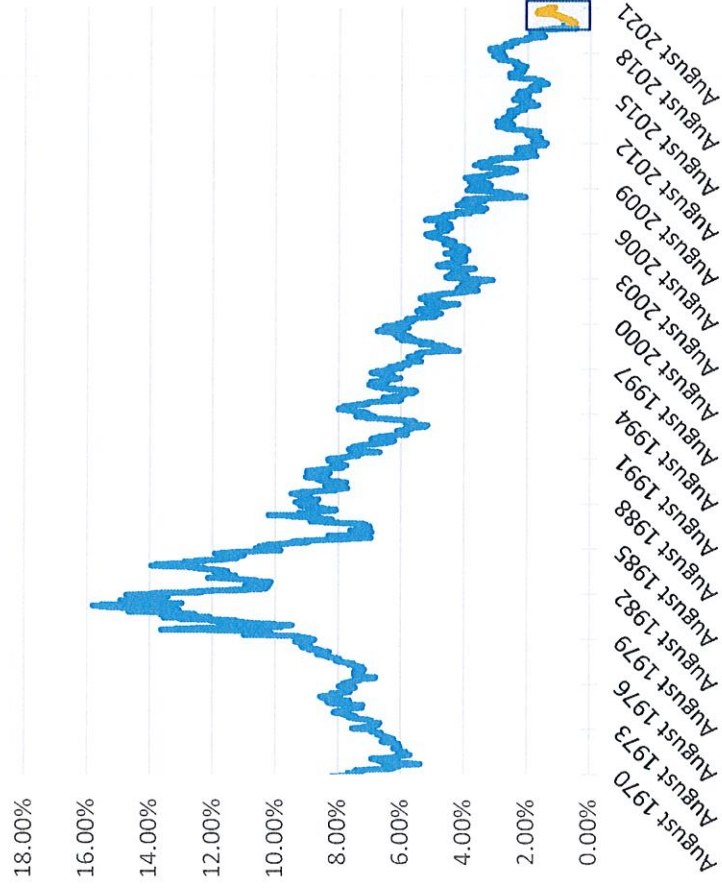
Dated: May 30, 2013



Historical 10-Year Treasury Rates

- The 10-Year Treasury is a debt note issued by the United States government with a maturity of 10 years after initial issuance
- The interest rate of these notes serves as an index to establish the interest rate for taxable bonds like the type contemplated in this refinancing
- The rates are currently near historic lows, but have increased since late 2020

10-Year Treasury Rates
Since 1970



Bond Refinancing Plan

- The District may refinance approximately \$48 million in outstanding bonds from the Measure “A” authorization to generate over \$4 million in taxpayer savings
- 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
- The transaction would refinance the bonds prior to the prepayment date, utilizing an advance refunding mechanism which is commonly used by municipal issuers in the State
- 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

Note: All figures are preliminary estimates based on prevailing market conditions and a minimum credit rating of “A3”, and are subject to change

Options Available to the District

- **Authorize Proceeding with Bond Refinancing** The finance team will prepare documents to authorize the refinancing for Board consideration at a future meeting, and complete the refinancing upon approval and subject to market conditions
- **Delay the Refinancing** – Postpone the transaction so that all bonds may be refinanced on a tax-exempt basis to potentially increase savings, by waiting until:
 - November 2023, the first bond prepayment date, or
 - Congress possibly takes action to reinstate tax-exempt advance refundingsHowever, delaying the transaction may expose the savings to the risk of rising rates
- **Take no Action** – The District may wish to take no action, and continue to pay off the bonds over time at the interest rates established when the bonds were sold

Sample Timeline

- If the District elects to proceed with the transaction, below is a sample timeline of key activities:

Date	Task to Be Completed
Tue, Sep 21	Board Meeting – Provide information about bond refinancing
Tue, Oct 19	Board Meeting – Approval of Bond Documents and Professional Agreements
Week of Oct 25	Rating Agency meeting
Thu, Nov 4	Post Preliminary Official Statement
Thu, Nov 11	Pricing conference call to finalize interest rate proposal
Tue, Nov 30	Close transaction and deposit bond proceeds into escrow

September						
S	M	T	W	T	F	S
		1	2	3	4	
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

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.