

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS MEETING

**MINUTES**

116 W E Street  
Tehachapi, CA 93561  
September 15, 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; Chet Beedle, CFO via Teleconference; Scott Nave, Counsel

**Guest Speakers:** Sam Itani, Adventist Health, Daniel Steeber, Adventist Health

**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. Finance Meeting, 5/13/2020, Receive and File
2. Strategic Planning, 8/13/2020, Receive and File
3. Board Meeting, 8/18/2020, Receive and File

Consent Agenda Approval

**MSA: SHERRILL/STEELE; 4-0, APPROVED; 1 ABSENT APPROVED**

**V. OLD BUSINESS**

NONE

**W. NEW BUSINESS**

A. Adventist Hospital Update (S. Itani)

**Mr. Itani distributed a handout to the District Board members. He thanked them for the opportunity to speak about the updates at the hospital. He stated he is interested in building bridges between AH and TVHD and looking forward to a partnership. Adventist is moving forward with the Imaging Pavilion and it should be completed by July**

or August of 2021. Mr. Itani informed the Board that AH met with the City and the project will most likely qualify for waivers so that no CEQA study should be required.

He explained that the Outpatient Pavilion is next. That project will not require a CEQA study. It will house a Primary Medical Care Clinic, specialists, Therapy of all kinds, Nutrition Center and Dental Care. The estimated total for construction is \$6.5 M. The handout showed the proposed pavilion site and the West side of the hospital. It should be about 10,000 square feet with parking lost. *Director Steele asked if this project interfered with the solar panel placement. Mr. Itani responded it would not.* Mr. Itani expected to attend TVHD monthly Board Meetings to update the Board on the projects. Regarding funding, Mr. Itani stated Adventist Health needs \$6.5 million for the project. AH will come up with \$3.5M if TVHD comes up with \$3M. The numbers are preliminary, and it is new construction. Mr. Itani reminded the Board this building would be on TVHD property and would bring new jobs to the area and would enhance the Healthcare District. Mr. Itani was not looking for any action, the presentation was informational. *Director Moats asked if it would be a new Urgent Care center, or would the current clinic move there? Mr. Itani responded the current clinic is too small and the new pavilion would allow for a consolidation of services between Community Clinic and primary care. Director Moats asked if AH foresees dentists coming in. Mr. Itani responded yes, comprehensive dental and medical is an extremely successful model.*

The next section of the handout described an overage in expected monies paid by Adventist Health to complete the hospital construction. Scott Nave commented that most of the information was wrong. The handout stated that the project would take \$27M to complete. Mr. Nave said the \$27M was not represented as the amount to complete the project. He stated that TVHD thought it would be at least \$35-\$40M and that there was never a cap for the completion of the construction. Mr. Nave said AH completed their obligations and TVHD completed their obligations so there is no 'settlement'. He urged Mr. Itani to read the lease agreement and talk to legal counsel if there are questions. Mr. Itani continued to describe a Cost Overrun of more than \$14M. He continued to the handout, reviewing a list of bad management practices by TVHD, as compiled by AH. Mr. Nave stated this was a legal issue since it concerns a legal agreement. He asked Mr. Itani to cease the presentation and let the lawyers from each entity contact each other and discuss further. Mr. Itani said he heard all this when he came to the Tehachapi Adventist hospital. *Mike Nixon, Board President, expressed his displeasure with the presentation saying, "you said we have a huge obligation, please have this be a legal issue between lawyers." He continued to*

**say that it was upsetting the Board. Scott suggested that Mr. Itani send a different representative to address the Board for future meetings. Mr. Itani said he wanted to have a conversation and not to force anything. He apologized and said it was not his intent to offend the Board. He asked if there could be an ad-hoc committee to discuss AH issues, news construction and the new hospital. Mike Nixon said there would be two TVHD Board members on the committee, William Steele and Mike himself. The committee will begin planning a meeting sometime in the next two weeks. Scott Nave said a legal presence is not necessary as the ad-hoc is for listening and formulating recommendations for the full Board. The item was closed, and Mr. Itani excused himself.**

**B. Arborist Survey (C. Wasielewski)**

Ms. Wasielewski informed the Board about information that has come to light about the trees in front of the old hospital. The trees, which cannot be removed, may be interfering with the foundation of the building. She recommended the District get a professional evaluation from an arborist and a structural engineer before the renovation project continue. The Board directed Ms. Wasielewski to engage an engineer on the issue.

**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. Mr. Beedle explained the transfers in and out. He reported the 2020 certified audit should be ready for the November Board meeting. \$70k was paid toward the AH reconciliation. The CFO reported that all the monies together including the bond reserves comes to \$6 million. Director Moats would like a meeting with the CFO about the reserves of the District and how the construction project will proceed. There is a \$1.6 million budget for the project. Ms. Wasielewski will schedule a meeting.

**B. District Manager Report**

DM Wasielewski asked the Board to remove \$475 in aging accounts that are between 4 and 5 years old and from old drug tests conducted by TVHD for CCI. The Board directed Ms. Wasielewski to remove and write off as uncollectable.

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

Mike Nixon began by addressing the potential damage the trees could cause to the 115 W E Street building. He explained that between that and the very distressed condition of the building itself, it could become very expensive. He gave his opinion that the Board should consider the demolition of the building and instead build a steel structure would be modern and efficient. He offered the idea of a two-story building with ground floor suites and loft apartments. The directors discussed the pros and cons of the idea. Dr. Conklin mentioned the bad shape of the roof and that he thinks it will always leak. Mr. Nixon commented that a new building allows for the potential to get a better return on

investment. Director Moats was enthusiastic and suggested inquiring if the City knew of any grants or assistance for the District in demolition. It was mentioned that TVHD has no obligation to give financial assistance to AHTV. DM Wasielewski pointed out that there are opportunities for the District to operate separate from AH. Mike Nixon also mentioned he thinks AH will want to buy the Hospital in a few years and the District should look for new opportunities to impact the community. Legal counsel Scott Nave addressed the Board and asked that before anything goes further, that he finds out if there are any lingering settlement issues with Adventist Health. The Board agreed that Mr. Nave will speak with AH legal team and deal with any issues. The Board also agreed to put a hold on the current building project for the old hospital. Ms. Wasielewski will update the architect on the decision.

Board of Director Travel

None

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

None

**VIII. CLOSED SESSION REPORT**

**Legal Counsel Scott Nave reported the Board discussed Real Property Negotiations. No action was taken and no other matters were discussed.**

**IX. ADJOURNMENT**

Meeting adjourned at 5:49 pm

Respectfully,



Christine Sherrill  
Secretary