

TEHACHAPI VALLEY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS MEETING  
**MINUTES**  
116 W E Street  
Tehachapi, CA 93561  
November 9, 2021  
Conference Call # 351-888-6527  
11:15 am

**Board Present:** Mike Nixon, Christine Sherrill, William Steele, Duane Moats, Carl Gehricke  
**Staff Present:** Caroline Wasielewski, CEO; Scott Nave, Legal Counsel  
**Guests:** Emilio Flores, CFW; Ann La Morena Rohlin, Norton Rose Fulbright; Rick Jackson, JWT & Associates, LLP

**I. CALL TO ORDER**

Chair Mike Nixon called the meeting to order at 11:15 am.

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

None

**III. CONSENT AGENDA**

Approval of Minutes

1. Board of Directors Special Meeting, 10/14/21

2. Board of Directors Meeting, 10/19/21

Motion made by W. Steele to approve minutes with changes to 10/19/21 minutes to reflect the amount of CEO increase and date to begin. Also correct a spelling error on page one. Seconded by C. Sherrill.

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

**V. NEW BUSINESS**

**A. FY2021 Audited Financial Statements**

Auditor Rick Jackson presented the audited financial statements for Fiscal Year 2021. He began by reviewing the auditor opinions. Next, he moved on to the Balance Sheet. He noted that depreciation expense has begun since the new hospital has come online. Cash assets are good. Long term portion is related to the bonds. The increase in unearned income is the grant award of 300k. after reviewing the income statement he noted that net patient service revenue was increased due to supplemental payments related to

patient care. The largest expense was depreciation which is a noncash item. He noted the district tax income and interest expense with is from the general obligation bonds. The cash flow statement is from year end to year end and displays the story of cash. The notes for Financial Statements are consistent with prior years. Mr. Jackson invited the board to email or call with any additional questions. Mr. Jackson recommended a change to QuickBooks and for TVHD to get the help of a CPA. C. Sherrill made a motion to accept the audit and D. Moats seconded. It was approved.

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

B. Resolution of the Board of Directors of the Tehachapi Valley Healthcare District Adopting a Debt Management Policy

Ann La Morena Rohlin, Norton Rose Fulbright, informed the board that for the agency to be bond counsel for this transaction a debt policy is required. The policy presented affords TVHD with the maximum amount of flexibility. The Board was asked to approve. C. Sherrill motioned to accept; Wm. Steele seconded. Approved

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

C. Bond Counsel Engagement Letter in Connection with Tehachapi Valley Healthcare District's Proposed General Obligation Refunding Bonds, (Refunding 2009 Election, Series 2013)

This resolution is to make Norton Rose Fulbright bond counsel for the current transaction and for legal perspective for conversion from taxable to nonexempt. *D. Moats asked if the municipal rates quoted in the resolution were discounted. It was substantiated. It was then noted that there is a \$75,000 fixed fee for this current transaction. And that fee will come out of the transaction itself. C. Gehricke asked for verification that Norton Rose Fulbright represents Adventist Health as well. It was confirmed and Adventist Health was notified as well and signed a waiver. Wm. Steele motioned to accept, C. Gehricke seconded. Approved.*

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

D. Contract for Professional Municipal Advisory Services by and between the Tehachapi Valley Healthcare District and CFW Advisory Services, LLC

Emilio Flores, CFW, requested the Board approve the resolution to contract with CFW for this transaction and for a five-year term until the future conversion date. C. Gehricke motioned to approve. The board requested that page 4 would be changed that all notices go to Attention; C. Wasielewski, CEO. C. Sherrill seconded motion with the requested changes. Approved

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

- E. Resolution of the Board of Directors of the Tehachapi Valley Healthcare District Authorizing the Issuance and Sale of the District's General Obligation Refunding Bonds, 2009 Election, 2021 Series A (Convertible)  
Emilio Flores, CFW, reviewed the changes in the authorization of issuance and sale documents. The main difference is that all instances of Wells Fargo have been changed to Computershare. The invoice for the county for interest payments is now done by Computershare. Major terms remain substantially unchanged. Good faith estimates are in the new version. There are costs that will come directly out of the transaction: a \$225,000 placement fee paid to Piper Sandler and the cost of bond insurance. Mr. Flores informed the Board that the total saving over 20 years is nearly \$7.6 million, due to uniform savings and private placement. *D. Moats asked if after the deal can a savings summary be submitted for an article in the local newspaper. Mr. Flores explained that CFW will prepare a press release and work with the local news.* D. Moats made a motion to approve and seconded by Wm. Steele. Mr. Flores explained that this resolution now locks in the savings level with Capital One and next will be some required due diligence forms.  
**MSA; MOATS/STEELE; 5-0; APPROVED**

- F. Resolution Authorizing Remote Meetings During State of Emergency (November)  
The resolution to continue to hold remote meetings during California State of Emergency.  
**MSA; STEELE/SHERRILL; 5-0; APPROVED**

- G. Authorization of Change Form for the Transfer of Funds for California State Treasurer's Office Local Agency Investment Fund (LAIF)  
This item was tabled until the next general board meeting.

- H. Change Order Request - Integrated Demolition and Remediation Inc.  
During the demolition of the old hospital building at 115 W E Street there was unforeseen concrete foundations discovered. The pieces of concrete needed to be removed and discarded. This was out of the original scope of the project. The Board was asked to approve the change order.  
**MSA; GEHRICKE/MOATS; 5-0; APPROVED**

- VI. **BOARD COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**  
Wm. Steele asked about the December Board Meeting. Due to the Christmas holiday, the board agreed to have a Special Board Meeting on Tuesday, December 14<sup>th</sup> in place of the regular meeting.

**VII. CLOSED SESSION**

A. Real Property Negotiations

**VIII. CLOSED SESSION REPORT**

The Board discussed water rights negotiations. No action was taken, and no other items were discussed.

**IX. ADJOURNMENT**

Meeting adjourned at 11:59 am

Respectfully,

A handwritten signature in cursive script, appearing to read "Christine Sherrill".

Christine Sherrill  
Secretary