



September 8, 2023

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the Executive Office Conference Room, Kaweah Health Medical Center (305 West Acequia Avenue) on Tuesday September 12, 2023 beginning at 5:00PM Special Open meeting to approve the closed meeting agenda; 5:05PM Special CLOSED meeting pursuant to Government Code 54956.9(d)(1).

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: cmoccio@kaweahhealth.org, or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT

Mike Olmos, Secretary/Treasurer

A handwritten signature in black ink that reads "Cindy Moccio". The signature is written in a cursive, flowing style.

Cindy Moccio

Board Clerk / Executive Assistant to CEO

DISTRIBUTION:

Governing Board

Legal Counsel

Executive Team

Chief of Staff

www.kaweahhealth.org



KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

Kaweah Health Medical Center
Executive Office Conference Room
305 West Acequia Avenue, Visalia, CA

Tuesday, September 12, 2023

SPECIAL OPEN MEETING AGENDA {5:00PM}

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or cmoccio@kaweahhealth.org to make arrangements to address the Board.

4. **[RESOLUTION 2203 OF KAWEAH DELTA HEALTH CARE DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF A PROMISORY NOTE, LOAN AND SECURITY AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR A LOAN UNDER THE DISTRESSED HOSPITAL LOAN PROGRAM](#)** – Review of Resolution 2203 related to the Department of Health Care Access and Information (HCAI) and California Health Care Facilities Finance Authority (CHFFA) Distressed Hospital Loan Program.

Malinda Tupper, Chief Financial Officer

Action Requested: Approval of Resolution 2203 of Kaweah Delta Health Care District authorizing execution and delivery of a promisory note, loan and security agreement, and certain actions in connection therewith for a loan under the distressed hospital loan program ratifying the submission of the loan application and authorizing Malinda Tupper Chief Financial Officer, to execute the loan documents, and approves the Loan and Security Agreement and the Promissory Note.

5. **APPROVAL OF THE CLOSED AGENDA – 5:05PM**
 - **Conference with Legal Counsel** – Existing Litigation {Shipman v. KDHCD Case #VCU287291 – Pursuant to Government Code 54956.9(d)(1) – *Richard Salinas, Legal Counsel*

Public Participation – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

Action Requested – Approval of the September 12, 2023 closed meeting agenda.

5. **ADJOURN**

SPECIAL CLOSED MEETING AGENDA {5:05PM}

- 1) **CALL TO ORDER**
- 2) **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** – Pursuant to Government Code 54956.9(d)(1) - Shipman v. KDHCD Case #VCU287291.
Richard Salinas, Legal Counsel
- 3) **ADJOURN**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

KAWEAH HEALTH
FINANCE DIVISION MEMORANDUM

TO: Board of Directors, Chief Executive Officer and Executive Team

FROM: Malinda Tupper, Chief Financial Officer
Jennifer Stockton, Director of Finance

DATE: August 29, 2023

SUBJECT: Distressed Hospital Loan Program

On September 12, 2023 Kaweah Health’s Board of Directors (the “Board”) will be asked to approve Resolution 2203 related to the Department of Health Care Access and Information (HCAI) and California Health Care Facilities Finance Authority (CHFFA) Distressed Hospital Loan Program. The Loan Program was established through Chapter 6, Statutes of 2023 (Assembly Bill 112) to offer interest-free, working capital loans to non-profit and publicly-operated distressed hospitals in California that are facing a risk of closure, while they implement turnaround strategies and regain financial viability. Kaweah Health applied for a loan in the amount of \$75 million and has been awarded a loan in the amount of \$20.75 million.

Information regarding the loan is as follows:

Distressed Hospital Loan Program	
Loan amount	\$20,750,000
Interest Rate	0.0%
Loan Fee	1%
Loan Maturity	72 months from loan execution – 18-month grace period
Use of Funds	working capital
Type	Subordinate Indebtedness – to be requested
Security	Medi-Cal payments.

Resolution 2203 -The resolution ratifies the submission of the loan application, authorized Malinda Tupper, Chief Financial Officer, to execute the loan documents, and approves the Loan and Security Agreement and the Promissory Note.

For any questions regarding the documents, please contact Malinda Tupper at 624-4065 or Jennifer Stockton at 624-5536.

RESOLUTION 2203 OF KAWEAH DELTA HEALTHCARE DISTRICT AUTHORIZING
EXECUTION AND DELIVERY OF A PROMISORY NOTE, LOAN AND SECURITY
AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR A
LOAN UNDER
THE DISTRESSED HOSPITAL LOAN PROGRAM

DISTRESSED HOSPITAL LOAN PROGRAM

WHEREAS, Kaweah Delta Healthcare District (the “Borrower”) is a public hospital as defined in Section 129381 of the Health and Safety Code;

WHEREAS, Borrower does not belong to an integrated health care system with more than two separately licensed hospital facilities.

WHEREAS, the Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed \$20,750,000 from the California Health Facilities Financing Authority (the “lender”) under the Distressed Hospital Loan Program, with that loan to be funded with the proceeds in the Distressed Hospital Loan Program Fund; and

WHEREAS, the Borrower intends to use the loan in order to prevent the closure of the hospital;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Distressed Hospital Loan Program.

Section 2. **Malinda Tupper, Chief Financial Officer**, an “Authorized Officer”) is hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer deems necessary or advisable to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan, is hereby approved. The loan shall be in a principal amount not to exceed **\$20,750,000.00**, shall not bear interest, and shall mature 72 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially that form, which includes the Loan Funds Disbursement Certification, as well as the redirection of up to twenty percent (20%) of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default in accordance with Health Code section 129384, with those changes therein as the Authorized Officer may require or approve, that approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the “Note”) as evidence of the Borrower's obligation to repay the loan is hereby approved. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with those changes therein as the Authorized Officer may require or approve, that approval to be conclusively evidenced by the execution and delivery thereof.

PASSED AND ADOPTED at a special meeting of the Board of Directors of Kaweah Delta Healthcare District held on the 12th day of September, 2023.

SECRETARY'S CERTIFICATE

I, Cindy Moccio, Secretary/Board Clerk of Kaweah Delta Healthcare District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board of Directors of Kaweah Delta Healthcare District duly and regularly held at the regular meeting place thereof on the 12th day of September, 2023, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved the resolution by the following vote at said meeting:

Ayes:

Noes:

Absent:

I further certify that I have carefully compared the same with the original minutes of the meeting on file and of record in my office; that the resolution is a full, true, and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified, or rescinded since the date of its adoption, and is now in full force and effect.

Secretary

Date: _____