

**BOARD OF DIRECTORS**

Steve Pittson, DC, President
Becky Campo, Vice-President
Luis Avila, Secretary
Anne Stokman, RN, Treasurer
Gallo Mac Master, Board Member

PO Box 187, Patterson, CA 95363
Phone (209) 892-8781 Fax (209) 892-3755

BOARD OF DIRECTORS REGULAR MEETING

Monday February 28, 2022 @ 6:30 pm

Our meeting will be held in a conference room at 1700 Keystone Pacific Parkway, Bldg B.

PUBLIC COMMENT PERIOD: Matters under the jurisdiction of the Board, and not on the posted agenda, may be addressed by the general public at the beginning of the regular agenda. If you wish to speak on an item on the agenda, you are welcome to do so during consideration of the agenda item itself. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period, however California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined to be an emergency by the Board of Directors. Persons speaking during the Public Comment will be limited to five minutes or, depending on the number of persons wishing to speak, it may be reduced to allow all members of the public the opportunity to address the Board. Public comments must be addressed to the board as a whole through the President. Comments to individuals or staff are not permitted.

CONSENT CALENDAR: These matters include routine financial and administrative actions and are identified with an asterisk (*). All items on the consent calendar will be voted on as a single action at the beginning of the meeting under the section titled "Consent Calendar" without discussion. If you wish to discuss an item on the Consent Calendar, please notify the Clerk of the Board prior to the beginning of the meeting or you may speak about the item during Public Comment Period.

REGULAR CALENDAR: These items will be individually discussed and include all items not on the consent calendar, all public hearings and correspondence.

CLOSED SESSION: Is the portion of the meeting conducted in private without the attendance of the public or press to discuss certain confidential matters specifically permitted by the Brown Act. The public will be provided an opportunity to comment on any matter to be considered in closed session prior to the Board adjourning into closed session.

ANY MEMBER OF THE AUDIENCE DESIRING TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Please raise your hand or step to the podium at the time the item is announced by the Board President. In order that interested parties have an opportunity to speak, any person addressing the Board will be limited to a maximum of 5 minutes unless the President of the Board grants a longer period of time.

BOARD AGENDAS AND MINUTES: Board agendas and minutes are typically posted on the Internet on Friday afternoons preceding a Monday meeting at the following website: <https://dphealth.specialdistrict.org/board-meeting-agendas>.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District office at 875 E Street, Patterson, CA during normal business hours. Such documents are also available online, subject to staff's ability to post the documents before the meeting, at the following website <https://dphealth.specialdistrict.org/board-meeting-agendas>.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Director meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk of the Board at (209) 892-8781. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Cell phones must to be silenced or set in a mode that will not disturb District business during the meeting.

Del Puerto Health Care District Board of Directors

February 28, 2022

Board Meeting Agenda

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1. **Call to Order**
2. **Pledge of Allegiance**
3. **Board of Directors Roll Call**
4. **Reading of the Draft Mission Statement**
"The District's primary mission is to deliver quality, personalized, and compassionate health care and build partnerships that expand healthcare services for our West Side communities."
5. **Public Comment Period** *[Members of the public may address the Board on any issues on the Consent Calendar and items not listed on the agenda that are within the purview of the District. Comments on matters that are list on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of five minutes. Board members may not comment or acting on items not on the agenda.]*
6. **Declarations of Conflict** *[Board members disclose any conflicts of interest with agenda items]*
7. **Approval of Agenda** **Action**
*[*Directors may request any consent calendar item be moved to regular calendar or change the order of the agenda items.]*
8. **Public Hearing #4 – Election Zones** *[discuss and revise the draft maps]* **Information**
 - A. Presentation by Consultant Jeff Tilton, PhD, National Demographics Corporation
 - B. Board Comments
 - C. Public Comments
 - D. Final Map Selection – March 28, 2022, Board Meeting
9. **Presentation – CSDA Update, Dane Wadle** **Information**
10. **Consent Calendar*** *[Routine committee reports, minutes, and non-controversial items]* **Action**
 - A. *Approve Board Meeting Minutes January 31, 2022
 - B. *Accept Finance Committee Minutes January 19, 2022
 - C. *Accept Financial Reports – Jan 31, 2022
 - D. *Approve FY21-22 Budget Mid-Year Revision
 - E. *Continuing Resolution 2022-02 Option to Continue Use of Emergency Meeting Protocols
 - F. *Update Investment Policy to remove length of investment restrictions
 - G. *Adopt Cycle 3 Restatement for Retirement Plan-001
 - H. *Resolution 2022-04 Declare 2014 Ambulance Surplus
11. **Regular Calendar**
 - A. **Any Consent calendar items moved to regular calendar* **Action**
 - B. District General Counsel Contract Renewal **Action**
 - C. Approval to obtain a Design-Build Legal Opinion **Action**
12. **Reports**

<u>A. Employee Anniversaries & New Hires</u>	<u>February</u>	<u>Years</u>
Ambulance:	Chuck Coelho (PT)	10
	Lori Valdovinos (PT)	10
Health Center:	Susi Perez	6
	Yesenia Sanchez	7
	Laura Palafox	New
B. West Side Health Care Task Force – Director Avila		
C. Del Puerto Hospital Foundation – Director Mac Master		
D. Legislative Advocacy Committee – Director Avila and Campo		

Del Puerto Health Care District Board of Directors

February 28, 2022

Board Meeting Agenda

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- E. Ambulance – Director, Paul Willette
- F. Health Center – Manager, Suzie Benitez
- G. Administration – Administrative Director/CEO, Karin Hennings

13. **Strategic Planning** **Discussion**
14. **Director Correspondence, Comments, Future Agenda Items** **Information**
15. **Upcoming Regular Board and Standing Committee Meeting Dates**
- | | |
|---|--|
| Finance – Wednesday, Mar 23, 2022 @ 8:30 AM | Board – Monday, Mar 28, 2022 @ 6:30 PM |
| Finance – Wednesday, Apr 20, 2022 @ 8:30 AM | Board – Monday, Apr 25, 2022 @ 6:30 PM |
| Finance – Wednesday, May 18, 2022 @ 8:30 AM | Board – Monday, May 23, 2022 @ 6:30 PM |
16. **Closed Session** *[Board of Directors may recess to closed session for discussion of certain matters as legally permitted. Any action taken shall be reported in open session.]*
- A. Gov't Code § 54956.9(b) Conference with Legal Counsel – Anticipated litigation or significant exposure to litigation: One (1) potential case.
 - B. Gov't Code § 54956.9 Existing Litigation Case CV-21-003566 Stanislaus County
Parente & Parente v. Del Puerto Health Care District
17. **Reconvene to Open Session – Report of Closed Session**
18. **Adjourn**

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT**Board Meeting – February 28, 2022****8 Election Districting PUBLIC HEARING #48 Election Districting PUBLIC HEARING #4****Page 1 of 2**

Department: Chief Executive Office

CEO Concurrence: Yes

Consent Calendar: No

4/5 Vote Required: No

SUBJECT: DISTRICT BOARD TO HOLD A PUBLIC HEARING ON MONDAY February 28, 2022, AT 6:30 P.M. TO RECEIVE A PRESENTATION ON THE ELECTION DISTRICTING PROCESS AND RECEIVE INPUT FROM THE COMMUNITY

STAFF REPORT: On June 28, 2021, the Board of Directors approved an agreement with National Demographics Corporation, Inc. for professional demographer services to assist the District in facilitating an inaugural Board of Directors Election Mapping. In accordance with the Fair Maps Act (adopted as AB849, revised by AB 1276) the District is required to hold at least four public hearing during regular or special meetings before adopting a final map. Public hearings were held on July 26, 2021, August 30, 2021, and January 31., 2022. This is the fourth scheduled public hearing.

Redistricting Rules and Goals

Redistricting is governed by certain laws, criteria, and traditional principles. Federal laws require:

- Each election district shall contain a nearly equal population
- Each election district shall be drawn in a manner that complies with the Federal Voting Rights Act. No election district shall be drawn with race as the predominate factor.

In addition to the federal law, the FAIR MAPS Act enacted on January 1, 2020, requires the following criteria be used to the extent practicable when revising districts:

- Each election district shall be a geographically contiguous territory.
- Each election district shall contain undivided neighborhoods and “communities of interest.”
- Each election district border shall be easily identifiable and follow visible natural and man-made geographical and topographical features.
- Each election district shall be as compact as possible. Districts cannot bypass one group of people to get to a more distant group.

It is prohibited to favor or discriminate against a political party.

Some traditional districting principles that may be considered when creating districts include:

- Minimizing shifting voters to different election years.
- Future population growth.
- Respecting voter choices from previous elections.
- Preserving the core of existing districts.

HEARING SCHEDULE: July 26, 2021 @ 6:30 PM – Public Hearing #1
 August 30, 2021 @ 6:30 PM – Public Hearing #2
 January 31, 2022 @ 6:30 PM – Public Hearing #3 Draft Map
February 28, 2022 @ 6:30 PM – Public Hearing #4 Draft Map
 March 28, 2022 @ 6:30 PM – Final Adoption

CONSIDERATIONS: The California Voting Rights Act holds us responsible to have districted elections with districts that do not dilute the minority vote.

DISTRICT PRIORITY: Transparent elections

CONTACT PERSON: Karin Hennings

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT

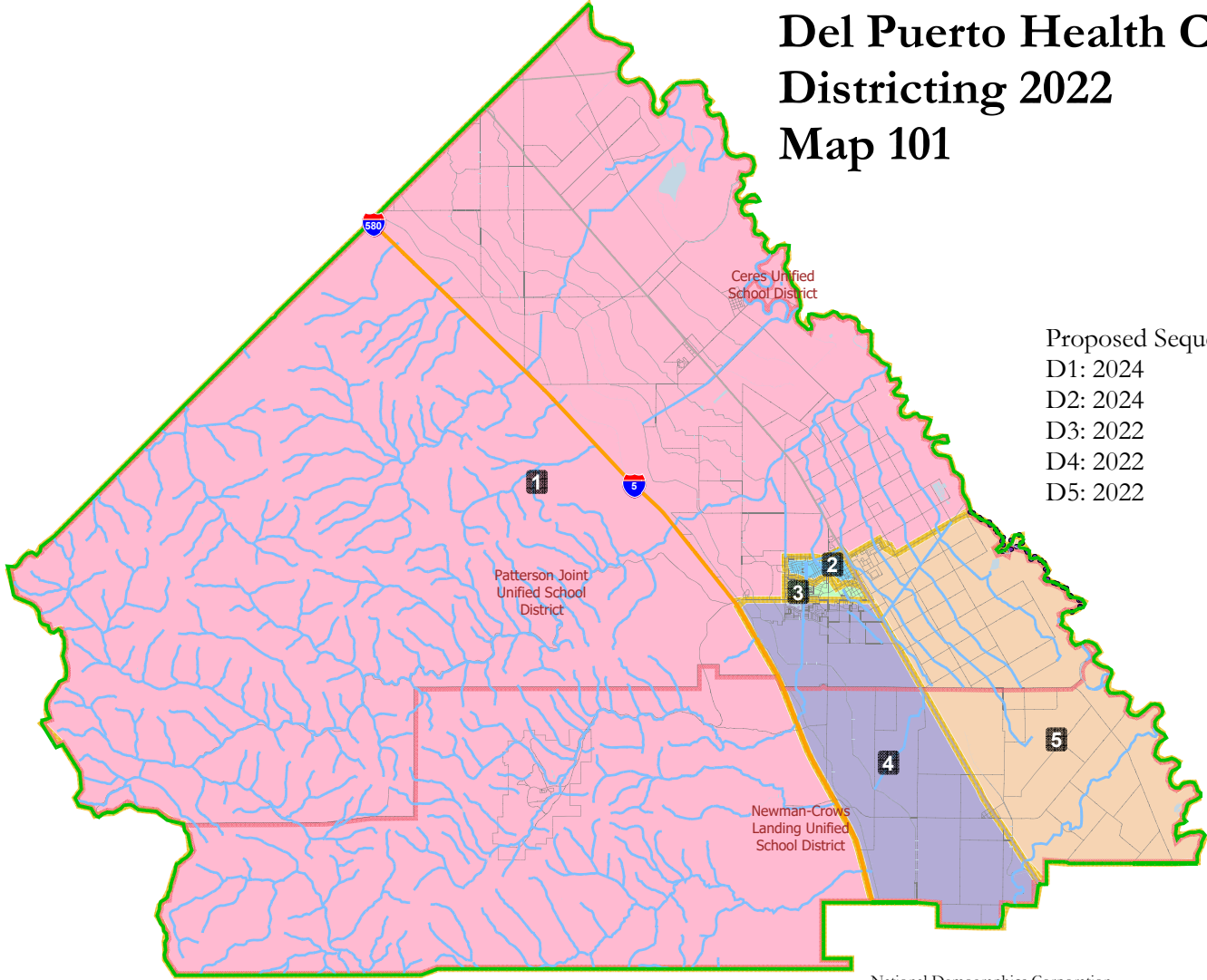
Board Meeting – February 28, 2022

8 Election Districting PUBLIC HEARING #48 Election Districting PUBLIC HEARING #4

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ATTACHMENT(S): Public Hearing #4 Proposed Draft Maps

Del Puerto Health Care District Districting 2022 Map 101

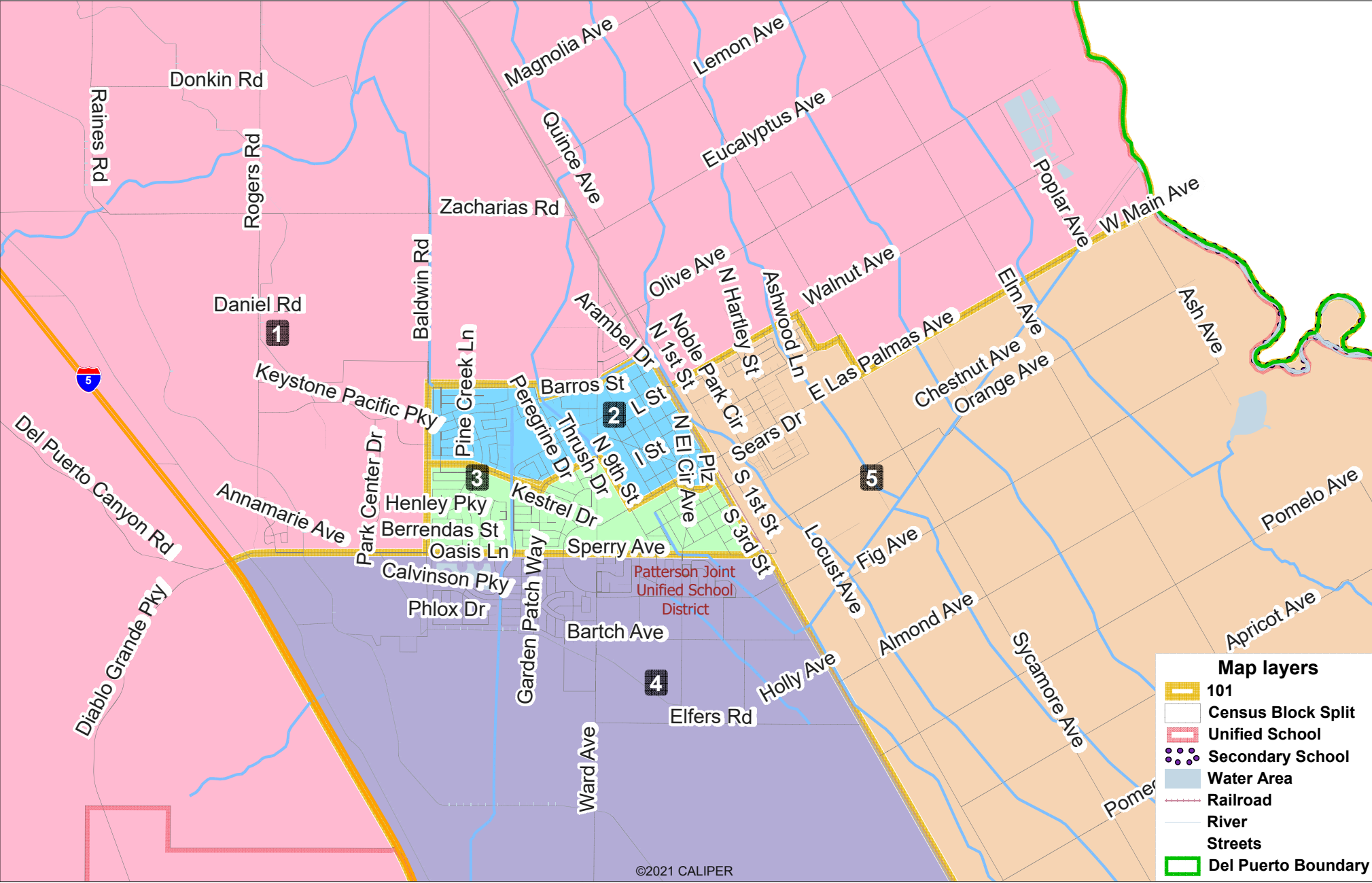


Proposed Sequencing
 D1: 2024
 D2: 2024
 D3: 2022
 D4: 2022
 D5: 2022

Map layers

-  101
-  Census Block Split
-  Unified School
-  Secondary School
-  Water Area
-  Railroad
-  River
-  Streets
-  Del Puerto Boundary

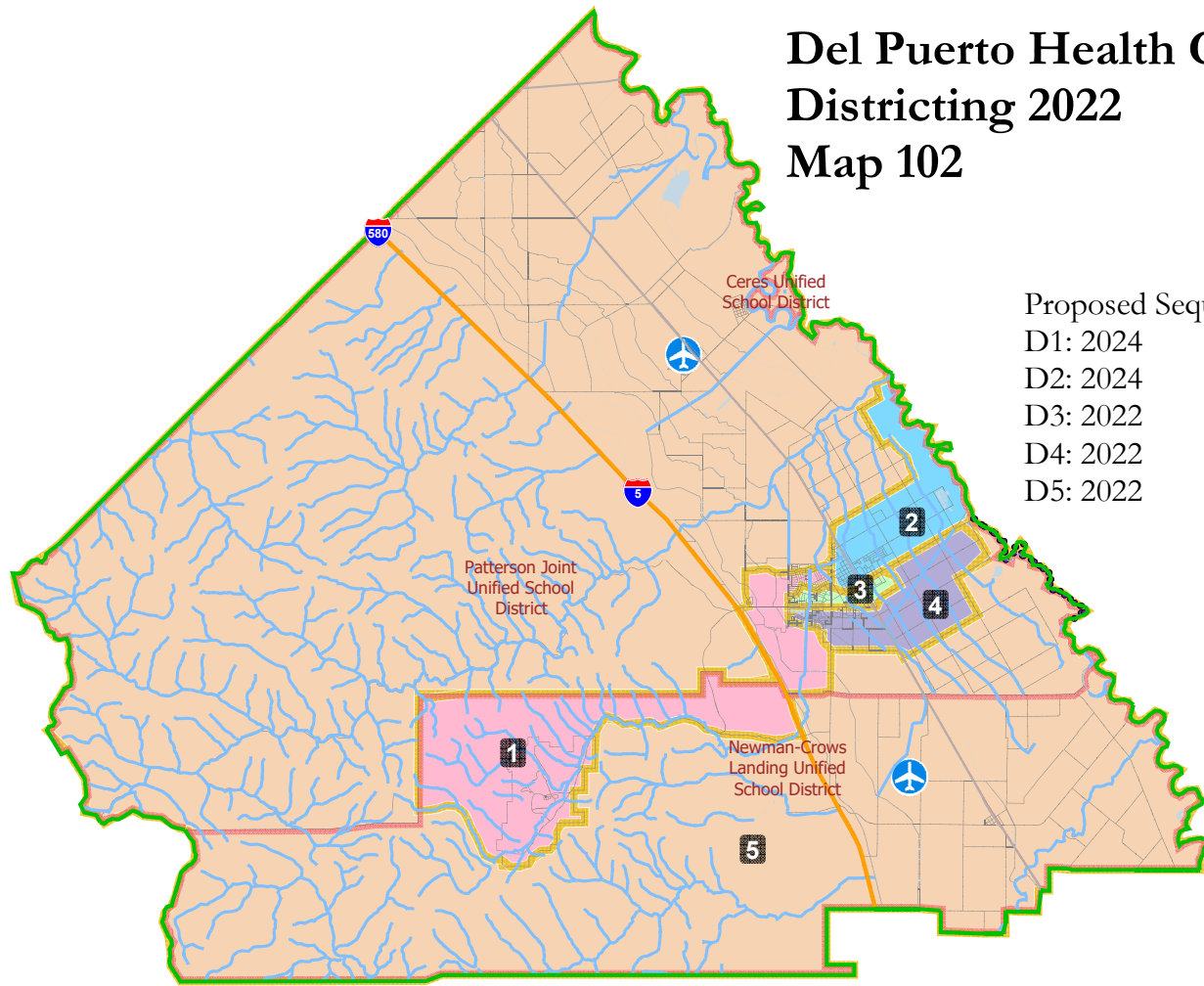
National Demographics Corporation
 January 1, 2022



<i>Del Puerto Health - Map 101</i>							
Category	Field	1	2	3	4	5	Total
2020 Census	Total Population	5,949	6,553	6,472	6,045	6,306	31,325
	Population Deviation	-316	288	207	-220	41	604
	Pct. Deviation	-5.04%	4.60%	3.30%	-3.51%	0.65%	9.64%
Total Pop.	Hispanic/Latino	61%	59%	64%	53%	74%	62%
	NH White	25%	20%	16%	25%	19%	21%
	NH Black	4%	8%	7%	10%	1%	6%
	NH Asian/Pac.Isl.	7%	9%	8%	9%	4%	7%
	NH Native Amer.	1%	1%	1%	1%	1%	1%
Citizen Voting Age Pop	Total	3,078	3,698	2,992	3,593	3,165	16,526
	Hisp	52%	44%	50%	54%	60%	52%
	NH White	40%	29%	21%	30%	35%	31%
	NH Black	6%	14%	14%	7%	5%	9%
	Asian/Pac.Isl.	2%	12%	14%	10%	1%	8%
	Native Amer.	0%	1%	1%	0%	1%	1%
Voter Registration (Nov 2020)	Total	2,546	3,097	2,683	3,177	2,540	14,043
	Latino est.	47%	53%	54%	45%	63%	52%
	Spanish-Surnamed	44%	48%	50%	41%	58%	48%
	Asian-Surnamed	2%	3%	3%	4%	1%	3%
	Filipino-Surnamed	2%	2%	2%	2%	2%	2%
	NH White est.	45%	34%	29%	41%	39%	38%
	NH Black	6%	14%	17%	11%	3%	11%
Voter Turnout (Nov 2020)	Total	1,893	2,322	1,906	2,489	1,828	10,438
	Latino est.	41%	49%	51%	42%	57%	48%
	Spanish-Surnamed	39%	45%	47%	39%	53%	44%
	Asian-Surnamed	2%	3%	3%	4%	1%	3%
	Filipino-Surnamed	2%	2%	2%	2%	2%	2%
	NH White est.	45%	34%	29%	41%	39%	38%
Voter Turnout (Nov 2018)	Total	1,347	1,600	1,295	1,655	1,326	7,223
	Latino est.	36%	44%	48%	39%	55%	44%
	Spanish-Surnamed	34%	41%	45%	36%	51%	41%
	Asian-Surnamed	2%	2%	2%	3%	2%	2%
	Filipino-Surnamed	2%	2%	2%	2%	2%	2%
	NH White est.	48%	37%	31%	44%	41%	40%
Age	age0-19	30%	37%	38%	22%	32%	32%
	age20-60	52%	53%	52%	58%	53%	54%
	age60plus	18%	10%	10%	20%	15%	14%
Immigration	immigrants	30%	24%	25%	28%	27%	27%
	naturalized	34%	46%	46%	44%	34%	41%
Language spoken at home	english	34%	48%	39%	51%	35%	41%
	spanish	63%	40%	49%	34%	64%	50%
	asian-lang	2%	7%	7%	2%	0%	4%
	other lang	1%	6%	5%	13%	1%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	25%	18%	25%	14%	26%	22%
Education (among those age 25+)	hs-grad	55%	56%	54%	65%	52%	57%
	bachelor	7%	9%	8%	9%	7%	8%
	graduatedegree	2%	3%	2%	5%	2%	3%
Child in Household	child-under18	45%	59%	63%	35%	48%	50%
Pct of Pop. Age 16+	employed	62%	62%	64%	67%	62%	63%
Household Income	income 0-25k	10%	11%	14%	7%	16%	12%
	income 25-50k	30%	23%	19%	14%	31%	24%
	income 50-75k	19%	21%	22%	15%	16%	19%
	income 75-200k	36%	38%	41%	58%	33%	41%
	income 200k-plus	5%	6%	4%	7%	3%	5%
Housing Stats	single family	95%	94%	91%	100%	100%	96%
	multi-family	5%	6%	9%	0%	0%	4%
	rented	47%	40%	46%	23%	41%	40%
	owned	53%	60%	54%	77%	59%	60%

Total population data from California's adjusted 2020 Census data. Citizen Voting Age Population, Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data. Turnout and Registration data from California Statewide Database ("Latino" figures calculated by NDC using Census Bureau's Latino undercount by surname estimate).

Del Puerto Health Care District Districting 2022 Map 102



Proposed Sequencing

D1: 2024

D2: 2024

D3: 2022

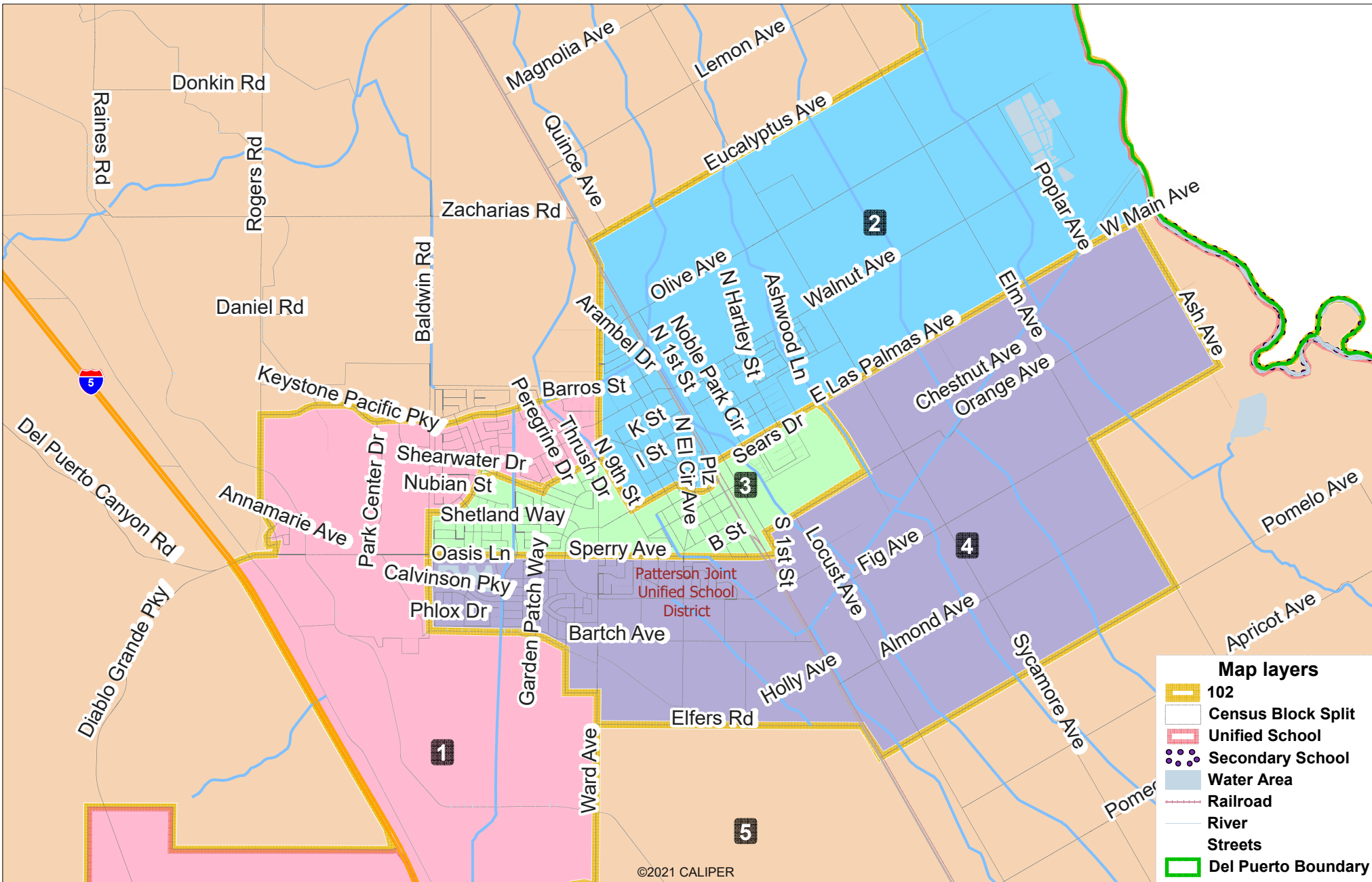
D4: 2022

D5: 2022

Map layers	
	102
	Census Block Split
	Unified School
	Secondary School
	Landmark Point
	Water Area
	Railroad
	River
	Streets
	Del Puerto Boundary

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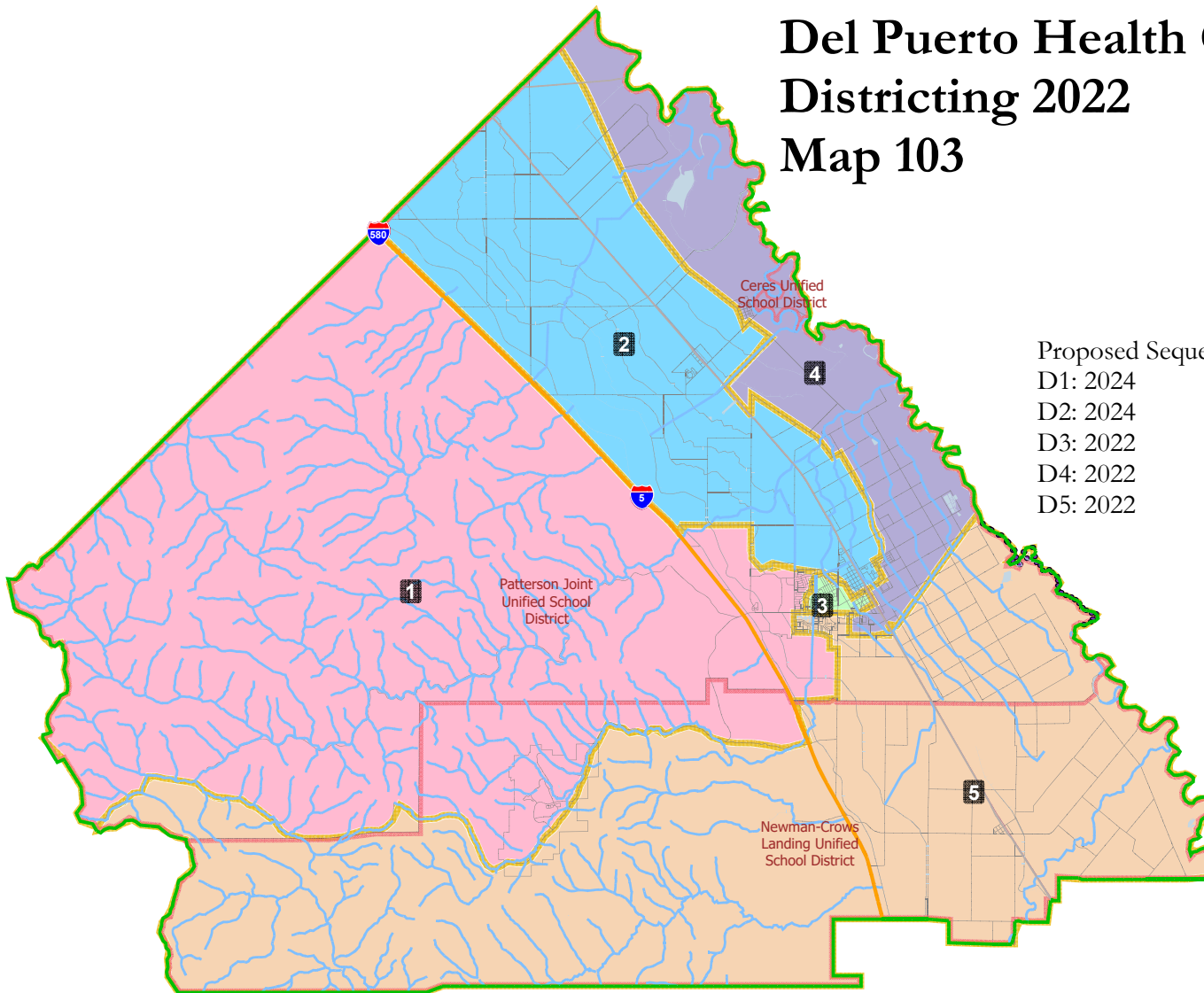
National Demographics Corporation
January 1, 2022



<i>Del Puerto Health - Map 102</i>							
Category	Field	1	2	3	4	5	Total
2020 Census	Total Population	6,269	6,373	6,478	6,287	5,918	31,325
	Population Deviation	4	108	213	22	-347	560
	Pct. Deviation	0.06%	1.72%	3.40%	0.35%	-5.54%	8.94%
Total Pop.	Hispanic/Latino	53%	74%	66%	52%	66%	62%
	NH White	22%	17%	17%	26%	23%	21%
	NH Black	9%	2%	6%	9%	4%	6%
	NH Asian/Pac.Isl.	12%	4%	7%	9%	5%	7%
	NH Native Amer.	1%	1%	1%	1%	1%	1%
Citizen Voting Age Pop	Total	3,264	3,134	3,218	3,796	3,113	16,526
	Hisp	41%	60%	53%	53%	52%	52%
	NH White	30%	31%	25%	32%	36%	31%
	NH Black	16%	7%	10%	7%	6%	9%
	Asian/Pac.Isl.	12%	2%	11%	9%	6%	8%
	Native Amer.	1%	1%	1%	0%	0%	1%
Voter Registration (Nov 2020)	Total	3,008	2,641	2,711	3,305	2,378	14,043
	Latino est.	48%	65%	56%	44%	49%	52%
	Spanish-Surnamed	44%	59%	51%	41%	46%	48%
	Asian-Surnamed	3%	1%	2%	4%	3%	3%
	Filipino-Surnamed	1%	1%	2%	2%	3%	2%
	NH White est.	36%	36%	32%	43%	40%	38%
	NH Black	15%	5%	14%	11%	8%	11%
Voter Turnout (Nov 2020)	Total	2,263	1,885	1,933	2,613	1,744	10,438
	Latino est.	45%	60%	53%	41%	42%	48%
	Spanish-Surnamed	41%	56%	49%	38%	40%	44%
	Asian-Surnamed	3%	1%	2%	4%	3%	3%
	Filipino-Surnamed	1%	1%	2%	2%	3%	2%
	NH White est.	36%	36%	32%	43%	40%	38%
Voter Turnout (Nov 2018)	Total	1,569	1,418	1,342	1,708	1,186	7,223
	Latino est.	38%	55%	52%	38%	38%	44%
	Spanish-Surnamed	36%	52%	48%	35%	37%	41%
	Asian-Surnamed	3%	1%	1%	2%	3%	2%
	Filipino-Surnamed	2%	1%	2%	2%	3%	2%
	NH White est.	38%	38%	34%	47%	45%	40%
Age	age0-19	30%	38%	37%	23%	31%	32%
	age20-60	56%	49%	53%	58%	53%	54%
	age60plus	14%	13%	11%	19%	16%	14%
Immigration	immigrants	28%	25%	25%	27%	28%	27%
	naturalized	42%	38%	45%	45%	35%	41%
Language spoken at home	english	42%	42%	40%	51%	33%	41%
	spanish	45%	55%	50%	35%	62%	50%
	asian-lang	7%	1%	6%	2%	2%	4%
	other lang	5%	2%	5%	12%	3%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	23%	21%	24%	14%	26%	22%
Education (among those age 25+)	hs-grad	56%	56%	55%	64%	52%	57%
	bachelor	8%	7%	8%	9%	7%	8%
	graduatedegree	3%	2%	2%	5%	3%	3%
Child in Household	child-under18	51%	60%	57%	36%	47%	50%
Pct of Pop. Age 16+	employed	63%	61%	62%	67%	63%	63%
Household Income	income 0-25k	4%	20%	18%	8%	9%	12%
	income 25-50k	25%	34%	19%	13%	27%	24%
	income 50-75k	22%	17%	20%	14%	20%	19%
	income 75-200k	42%	26%	40%	58%	39%	41%
	income 200k-plus	6%	3%	4%	8%	5%	5%
Housing Stats	single family	100%	89%	92%	100%	100%	96%
	multi-family	0%	11%	8%	0%	0%	4%
	rented	35%	48%	46%	25%	43%	40%
	owned	65%	52%	54%	75%	57%	60%

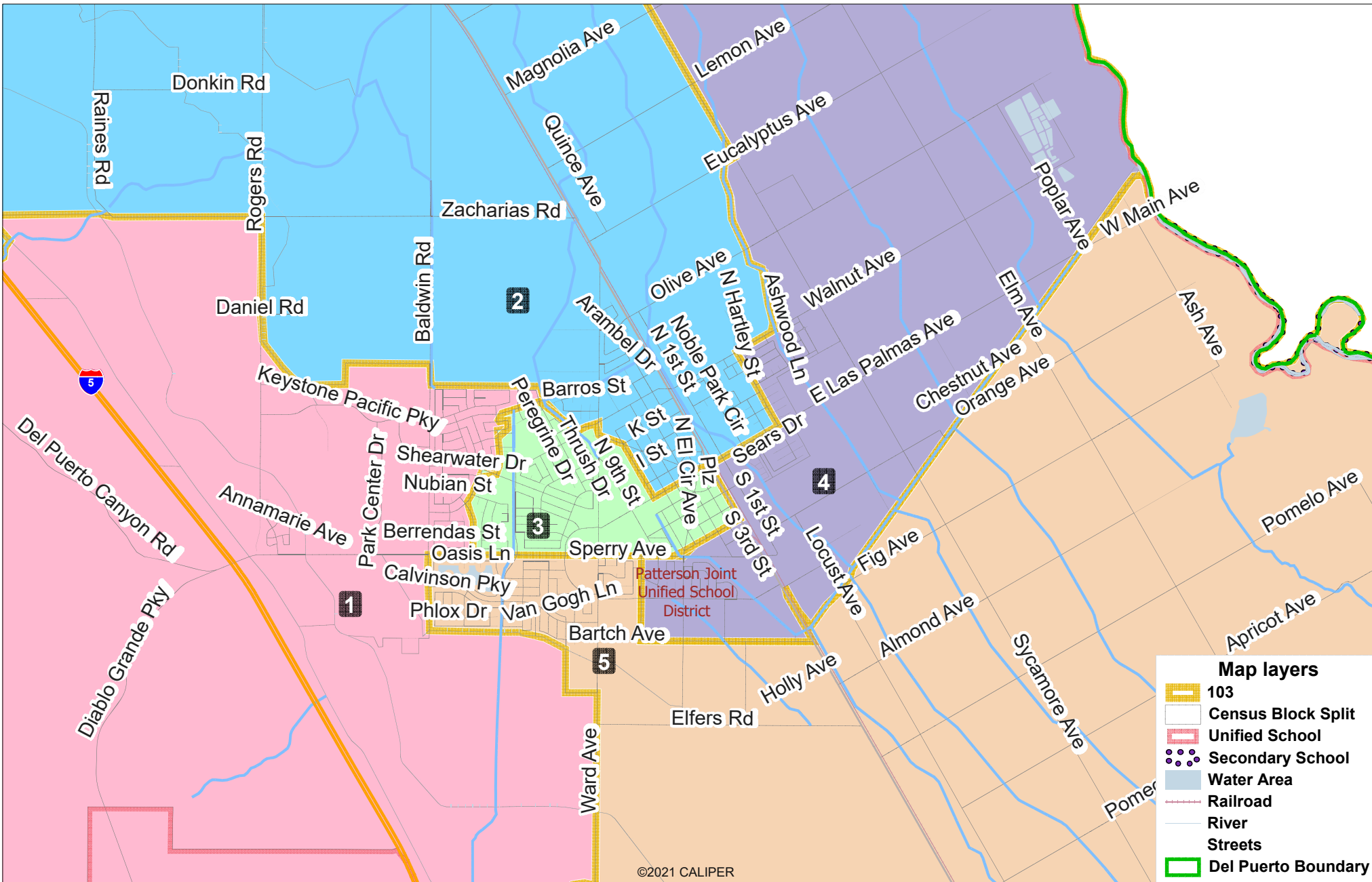
Total population data from California's adjusted 2020 Census data. Citizen Voting Age Population, Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data. Turnout and Registration data from California Statewide Database ("Latino" figures calculated by NDC using Census Bureau's Latino undercount by surname estimate).

Del Puerto Health Care District Districting 2022 Map 103












Proposed Sequencing
D1: 2024
D2: 2024
D3: 2022
D4: 2022
D5: 2022

- Map layers**
- 103
 - Census Block Split
 - Unified School
 - Secondary School
 - Water Area
 - Railroad
 - River
 - Streets
 - Del Puerto Boundary



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Map layers

-  103
-  Census Block Split
-  Unified School
-  Secondary School
-  Water Area
-  Railroad
-  River
-  Streets
-  Del Puerto Boundary

<i>Del Puerto Health - Map 103</i>							
Category	Field	1	2	3	4	5	Total
2020 Census	Total Population	6,309	6,164	6,203	6,343	6,306	31,325
	Population Deviation	44	-101	-62	78	41	179
	Pct. Deviation	0.70%	-1.61%	-0.99%	1.25%	0.65%	2.86%
Total Pop.	Hispanic/Latino	49%	75%	65%	69%	54%	62%
	NH White	21%	18%	17%	22%	26%	21%
	NH Black	12%	2%	6%	3%	9%	6%
	NH Asian/Pac.Isl.	14%	3%	8%	4%	9%	7%
	NH Native Amer.	1%	1%	1%	1%	1%	1%
Citizen Voting Age Pop	Total	3,132	2,999	3,149	3,766	3,480	16,526
	Hisp	35%	62%	51%	60%	49%	52%
	NH White	29%	34%	23%	33%	35%	31%
	NH Black	19%	2%	13%	6%	6%	9%
	Asian/Pac.Isl.	16%	2%	12%	1%	9%	8%
	Native Amer.	1%	1%	1%	0%	0%	1%
Voter Registration (Nov 2020)	Total	2,815	2,511	2,807	2,654	3,256	14,043
	Latino est.	43%	63%	56%	59%	42%	52%
	Spanish-Surnamed	39%	58%	52%	54%	39%	48%
	Asian-Surnamed	3%	1%	3%	2%	4%	3%
	Filipino-Surnamed	3%	1%	2%	1%	2%	2%
	NH White est.	33%	38%	31%	41%	44%	38%
	NH Black	21%	2%	15%	5%	10%	11%
Voter Turnout (Nov 2020)	Total	2,107	1,827	2,032	1,920	2,552	10,438
	Latino est.	40%	57%	52%	53%	39%	48%
	Spanish-Surnamed	37%	54%	48%	49%	37%	44%
	Asian-Surnamed	3%	1%	3%	2%	4%	3%
	Filipino-Surnamed	3%	1%	2%	1%	2%	2%
	NH White est.	33%	38%	31%	41%	44%	38%
NH Black	21%	2%	15%	5%	10%	11%	
Voter Turnout (Nov 2018)	Total	1,340	1,412	1,404	1,373	1,694	7,223
	Latino est.	35%	52%	49%	50%	36%	44%
	Spanish-Surnamed	33%	48%	46%	46%	34%	41%
	Asian-Surnamed	3%	2%	2%	2%	3%	2%
	Filipino-Surnamed	3%	2%	2%	1%	2%	2%
	NH White est.	35%	41%	33%	43%	48%	40%
NH Black est.	22%	2%	15%	5%	10%	10%	
Age	age0-19	30%	39%	37%	28%	26%	32%
	age20-60	56%	48%	53%	56%	55%	54%
	age60plus	14%	13%	10%	16%	19%	14%
Immigration	immigrants	29%	27%	25%	24%	30%	27%
	naturalized	42%	39%	46%	38%	40%	41%
Language spoken at home	english	42%	43%	40%	36%	47%	41%
	spanish	45%	53%	47%	60%	42%	50%
	asian-lang	7%	2%	7%	1%	2%	4%
	other lang	5%	2%	6%	4%	10%	5%
Language Fluency	Speaks Eng. "Less than Very Well"	23%	21%	24%	24%	16%	22%
Education (among those age 25+)	hs-grad	56%	55%	55%	58%	59%	57%
	bachelor	8%	8%	8%	6%	9%	8%
	graduatedegree	3%	3%	2%	2%	5%	3%
Child in Household	child-under18	52%	58%	62%	44%	37%	50%
Pct of Pop. Age 16+	employed	63%	60%	64%	65%	65%	63%
Household Income	income 0-25k	4%	19%	12%	13%	10%	12%
	income 25-50k	25%	35%	20%	23%	16%	24%
	income 50-75k	22%	14%	23%	20%	15%	19%
	income 75-200k	42%	27%	41%	41%	52%	41%
	income 200k-plus	7%	5%	4%	3%	7%	5%
Housing Stats	single family	100%	89%	93%	99%	99%	96%
	multi-family	0%	11%	7%	1%	1%	4%
	rented	35%	51%	43%	39%	30%	40%
	owned	65%	49%	57%	61%	70%	60%

Total population data from California's adjusted 2020 Census data. Citizen Voting Age Population, Age, Immigration, and other demographics from the 2015-2019 American Community Survey and Special Tabulation 5-year data. Turnout and Registration data from California Statewide Database ("Latino" figures calculated by NDC using Census Bureau's Latino undercount by surname estimate).



BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes

1. **Call to order** @ 6:29 pm by President Pittson
2. **Pledge of Allegiance**
3. **Board of Directors Roll Call.**

Directors Present: President, Steve Pittson
 Vice President, Becky Campo
 Secretary, Luis Avila
 Treasurer, Anne Stokman
 Director, George Gallo Mac Master

Directors Absent: None

Staff Present: Administrative Director/CEO, Karin Hennings
 Ambulance Director, Paul Willette
 Health Center Manager, Suzie Benitez
 Accounting Finance Manager, Maria Reyes-Palad
 Clerk of the Board, Cheryle Pickle

District Legal Council: Dave Ritchie, Cole Huber, LLP

We have a Quorum

4. **Reading of the Mission Statement**
"The District's primary mission is to deliver quality, personalized, and compassionate health care and build partnerships that expand healthcare services for our West Side communities."
5. **Public Comment Period - None**
Present: None
6. **Declarations of Conflict:** There were no conflicts of interest.
7. **Approval of Agenda:** **M/S/C To accept the agenda.** Director Stokman / Director Avila
Ayes: Directors Campo, Avila, Stokman, Mac Master, Pittson
Nays: None
Abstain: None
Passed
8. **Public Hearing #3 – Election Districting** [discuss and revise the draft maps; discuss the election sequence]
 - A. Presentation by Consultant Jeff Tilton, PhD, National Demographics Corporation.
 Mr. Tilton gave his presentation via Zoom. He reviewed the process. Then he presented 3 different maps and explained that each map met the Rules and Goals.
 - B. Public Comments - None



BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes

- C. Board Comments – Discussion was had among the board members. It was noted that the demographics chart was not included in the board packet. Mr. Tilton will forward to Ms. Hennings who will share this information. It was suggested that the board members research the City and the School Board maps and note that the changes to their districts has resulted in minimal change. The Directors wanted to see the demographic information and wanted to study the maps more.
- D. Next Public Hearing Date – February 28, 2022
 We will bring back all three of the proposed maps.
9. **Consent Calendar** * [*Routine committee reports, minutes, and non-controversial items*]
- A. *Approve Board Meeting Minutes October 25, 2021
 B. *Accept Finance Committee Minutes Sep 22, 2021; Oct 27, 2021; Nov 17, 2021; Dec 15, 2021
 C. *Accept Financial Reports – Sep 30, 2021; Oct 31, 2021; Nov 30, 2021; Dec 31, 2021
 D. *Resolution 2022-01 Option to Continue Use of Emergency Meeting Protocols
 E. *Authorize Letter of Intent to Purchase 2023 Ambulance Chassis
 F. *Approve 2022 Regular Board Meeting Calendar

M/S/C That the Board of Directors accept the Consent Calendar as presented. /Director Stokman / Director Mac Master
Ayes: Directors Campo, Avila, Stokman, Mac Master. Pittson
Nays: None
Abstains: None
Passed

9. Regular Calendar

- A. * Any Consent calendar items moved to regular calendar
- B. Board Officer Nominations and Elections
 President Pittson announced that he was not going to accept the office for this next year and opened the floor for nominations. Director Stokman nominated Director Campo. Director Campo accepted the nomination. There were no other nominations. The board voted to accept Director Campo as President.
 Director Mac Master nominated Director Avila for Vice President. He accepted the nomination. There were no other nominations. The Board voted Director Avila for the Vice President position. Director Stokman nominated Director Mac Master for the position of Secretary. Director Mac Master accepted. There were no other nominations. He Board voted to accept Director Mac Master as Secretary.
 Director Pittson nominated Director Stokman as the Treasurer. Director Stokman accepted this nomination. There were no other nominations. The board voted to accept Director Stokman as Treasurer.
 Director Pittson will be a Member at Large.
 The winners immediately assumed the roles of office.



BOARD OF DIRECTORS MEETING
 January 31, 2022 @ 6:30 pm
 Board of Directors Minutes

C. 2022 Banking Authorizations Resolution

The new assignment were named on the Banking access and Security chart as follows:

Board President: Becky Campo

Board Vic President: Luis Avila

Board Treasurer: Anne Stokman

Board Secretary: George Gallo Mac Master

Board Member: Steve Pittson.

M/S/C That the Board of Directors that the 2022 Banking Access and Security Resolution #22-03 be adopted as completed /Director MacMaster / Director Pittson

Ayes: Directors Campo, Avila, Stokman, Mac Master. Pittson

Nays: None

Abstains: None

Passed

D. 2022 Finance Committee Member Nomination and Appointment

President Campo appointed Treasurer Stokman as chair to the Finance Committee and Director Mac Master to serve on the Finance Committee.

E. 2022 Representative to WSHCTF Nomination and Appointment

President Campo appointed Director Avila to serve as the District representative on the West Side Health Care Task Force for the 2022 Calendar Year.

F. Selection of Investment Broker

Ms. Hennings explained that the District has maintained a fund in a Local Agency Investment Fund. But it currently is not yielding a very good return. Therefore, the Finance Committee met with two qualified Investment Brokers and they recommend entering into an agreement with Sandra Wheeler of Stifel Investments.

Director Campo stated that she felt Ms. Wheeler gave the best presentation and presented the best option for the District. She also wanted it on record that she has personal investment with Stifel but with another broker. She then asked Council if this was a conflict.

Mr. Ritchie stated that this type of issue should be discussed ahead of time. However, if the investment is not related to employment with Stifel there is no tangible interest and no basis to say there is personal benefit.

Director Stokman also stated that she felt that Ms. Wheeler would be the best choice for the District.

M/S/C I move the Board of Directors authorize the Administrative Director / CEO to enter an investment broker account agreement with Sandra Wheeler of Stifel Investments and furthermore direct that an opening balance of \$800,000 be transferred and invested when the account is established. /Director Avila / Director Pittson

Ayes: Directors Campo, Avila, Stokman, Mac Master. Pittson

Nays: None



BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes

Abstains: None
Passed

G. Payoff of Keystone C Loan

Ms. Hennings Explained that the Loan will be due on June 2023. The Board had previously adopted a Resolution to pay this off in three payments. The 2021 payment has not been made. The Finance Committee has recommended paying the loan off.

M/S/C I move the Board of Directors authorize the TCB Loan Repayment in the amount of \$675,500k. /Director Mac Master / Director Pittson
Ayes: Directors Campo, Avila, Stokman, Mac Master. Pittson
Nays: None
Abstains: None
Passed

- H. Creation of Municipal Advisor Ad Hoc Committee; Nomination and Appointment of 2 Directors
 Ms. Hennings deferred the explanation of this item to Mr. Ritchie. He explained that a municipal advisor would evaluate what type of financing would work best for the District. It is a legal requirement that this person be a different advisor than the Investment Broker. Basically, they are a “watch dog” for debt. He stated that this would be separate from the Debt Management Policy. He also pointed out that the article, California Health Care District Financing Techniques is dated but the general information is good.
 President Campo appointed Director Stokman and Director Mac Master to this committee.

I. Review and Acceptance of FY 2020-21 Audited Financial Statement

Ms. Hennings presented the audit report from WIPFLI and answered questions.

M/S/C I move the Board of Directors accept the audited financial statement for the fiscal year ending June 30, 2021 /Director Stokman / Director Pittson
Ayes: Directors Campo, Avila, Stokman, Mac Master. Pittson
Nays: None
Abstains: None
Passed

J. 2022 DPHC Foundation Trustee from Board of Directors Nomination and Appointment

President Campo appointed Director Stokman and Director Mac Master to serve as the District representative on the Del Puerto Foundation for the 2022 Calendar.



BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes

10. Reports

A. <u>Employee Anniversaries & New Hires</u>	<u>Nov/Dec/Jan</u>	<u>Years</u>
Ambulance:		
	Roberto Sanchez	2
	Paul Rodriguez	1
	Dennis Flannery	19
	Chantale Pakosz	2
	Adrian Gonzalez	PT to FT120
Health Center:		
	Tina Uanrachawong	11
	Eneida Barrera	18
	Fatima Mata	New

B. District Wide Community Assessment – Director Stokman

We did a presentation to the School District, the City of Patterson, The Supervisor, Chad Condit, The West Side Health Care Task Force and United Patterson. The information was well received. Opened opportunity to collaborate with Golden Valley.

Ms. Hennings reported that Supervisor Condit has been proactive in seeking to add after hours care to the West Side. We have been invited to talk with the 3 parties interested in bringing care.

- 1, A private provider who is interested in securing funds to help with this project.
2. Prime Health. A Southern CA company who works to combine smaller companies to provide health care.
3. Livingston Community Health is interested in coming back to the community.

Ms. Hennings introduced Dr. Rodriguez to comment of the status of our Health Center. Dr. Rodriguez reported that we will be able to expand services in the near future. We have Lisandro Barragan just completed his schooling for PA school and tested. He will be joining the Health Center in March. He is a local person returning to Patterson. Very excited to give back to the community. And Raj Singh, NP. Just accepted a position and will be starting in April. He is returning to the area as well. He is from Ceres and is excited to come back and serve people from the Valley.

Corina Clark, PA will be focusing more on the pediatrics. And hopefully we can retain Dr. Okpara a few days a week. This will allow us to be able to extend hours to meet the community needs.

He recently updated the Policies for the Nurse Practitioners and Physician Assistants.

C. West Side Health Care Task Force - George Galloway Mac Masters

No report

D. Legislative Advocacy Committee – Director Avila and Campo

Hand out with Legislative updates given



BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes

- E. **Ambulance** – Paul Willette, Director of Ambulance Operations
 Mr. Willette reviewed the reports for November and December. The ambulances are still being called into Modesto and Turlock quite a bit. Westside is having staffing problems. We have to post in there area often. Modesto Fire hired 8-10 of AMRs paramedics which only complicates things. Waits at the hospital and long again making things difficult.

There is a patient satisfaction survey which shows our staff doing fairly well. This will be an ongoing report.

- F. **Health Center** - Suzie Benitez, Health Center Manager
 Ms. Benitez reviewed the November and December reports. The no show rate has improved. The telephone staff has improved.
 Reports of audits are included. We scored very well.

Ms. Hennings share an article that had been published by the Irrigator about our LCSW, Jessica Herrera

- G. **Administration** – Karin Hennings, Administrative Director / CEO
 Deferred to written report.
 Handout regarding CSDA's Leadership Academy. There are funds set aside for Board education.

11. Strategic Planning

Deferred to written report. Ms. Hennings will be working with the President to possibly schedule a separate meeting where we can focus on these issues.

12. Director Correspondence, Comments, Future Agenda Items

None

13. Upcoming Regular Board and Standing Committee Meeting Dates

Finance – Wednesday, Feb 23, 2022 @ 3:00 PM
 Finance – Wednesday, Mar 23, 2022 @ 3:00 PM
 Finance – Wednesday, Apr 20, 2022 @ 3:00 PM

Board – Monday, Feb 28, 2022 @ 6:30 PM
 Board – Monday, Mar 28, 2022 @ 6:30 PM
 Board – Monday, Apr 25, 2022 @ 6:30 PM

Adjourned to Closed Session @ 8:10 pm

14. **Closed Session** [Board of Directors may recess to closed session for discussion of certain matters as legally permitted. Any action taken shall be reported in open session.]

A. Gov't Code § 54957

Evaluation of Public Employee-District General Counsel



**BOARD OF DIRECTORS MEETING
January 31, 2022 @ 6:30 pm
Board of Directors Minutes**

B. Gov't Code § 54956.9(b) Conference with Legal Counsel – Anticipated litigation or significant exposure to litigation: One (1) potential case.

C. Gov't Code § 54956.9 Existing Litigation Case CV-21-003566 Stanislaus County Parente & Parente v. Del Puerto Health Care District

15. Reconvene to Open Session – Report of Closed Session @ 8:52 pm

No reportable items. Instructions given to staff.

16. Adjourn @ 853 pm

DRAFT

DEL PUERTO HEALTH CARE DISTRICT
875 E Street - Patterson, California 95363
FINANCE MEETING
MINUTES January 19, 2022

1. **Call to order/Attendance**
 The meeting was called to order by Anne Stokman, Committee Chair, 8:17 AM
Other Board Members Present: Becky Campo, Committee Member
Staff Members Present: Karin Hennings, Administrative Director/CEO; Paul Willette, Ambulance Director; Maria Reyes-Palad, Financial Accounting Manager; and Danae Skinner, Administrative Staff Accountant.
2. **Public Participation** – there were no comments
3. **Acceptance of Agenda**
 M/S/C Anne Stokman/Becky Campo to accept the agenda as presented.
4. **Finance Report Review**
 - A. Review for Approval: December 17, 2021 Finance Meeting Minutes
 M/S/C Becky Campo/Anne Stokman to accept the minutes for December 17, 2021 as presented.
 - B. Review Financial Reports for December 2021
 Maria Reyes-Palad reviewed the Financial Reports for December 2021 and answered all questions regarding the reports.
 M/S/C Anne Stokman/Becky Campo to recommend to the Board to accept the Preliminary Financial Reports as presented.
 - C. Review for Recommendation December 2021 Warrants
 Maria Reyes-Palad reviewed the report and answered all questions regarding the Warrants.
 M/S/C Becky Campo/Anne Stokman to recommend to the Board to accept the Warrants as presented.
5. **Old Business**
 - A. Investment Advisor Recommendation to Board
 M/S/C Anne Stokman/Becky Campo to recommend to the Board to accept Stifel Investments as District's Investment Management advisor
 - B. Statement of Investment Policy Review
 Tabled until February committee meeting
6. **New Business**
 - A. 2023 Ambulance Chassis - Intent to Purchase Chassis Letter
 M/S/C Anne Stokman/Becky Campo to recommend to the Board to adopt the Intent to Purchase Chassis Letter as presented
 - B. 1700 Keystone C Loan – Reduction of Principal
 M/S/C Anne Stokman/Becky Campo to recommend to the Board to accept the 1700 Keystone C loan reduction of Principal with the attachment of Karin Hennings' email update regarding cash flow.
 - C. Annual Review of Contracts
 Information Only – No Action Taken

**DEL PUERTO HEALTH CARE DISTRICT
875 E Street - Patterson, California 95363
FINANCE MEETING
MINUTES January 19, 2022**

- 7. Accounting and Finance Manager Report**
 - A. Update on COVID19 Stimulus P&L**
Information Only – No Action Taken
 - B. Set Schedule for Committee Review of Account Reconciliations**
Anne Stokman and Becky Campo reviewed the Account Reconciliations after the meeting was adjourned.

Meeting adjourned – 9:01 AM

Respectfully submitted,

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

Anne Stokman, Treasurer

Del Puerto Health Care District
Balance Sheet
As of January 31, 2022

	Jan 31, 22	Dec 31, 21	% Change	Jan 31, 21	% Change	Notes
ASSETS						
Current Assets						
Total Checking/Savings	3,539,363	2,483,496	43%	2,923,794	21%	
Total Accounts Receivable	724,118	776,174	(7%)	609,547	19%	
Total Other Current Assets	67,782	950,573	(93%)	92,940	(27%)	
Total Current Assets	4,331,263	4,210,243	3%	3,626,281	19%	
Fixed Assets						
Total 151.000 · Capital assets	5,261,098	5,277,610	(0%)	5,254,953	0%	
Total Fixed Assets	5,261,098	5,277,610	(0%)	5,254,953	0%	
TOTAL ASSETS	9,592,361	9,487,853	1%	8,881,234	8%	
LIABILITIES & EQUITY						
Liabilities						
Total Current Liabilities	564,034	530,266	6%	515,795	9%	
Total Long Term Liabilities	2,073,196	2,082,943	(0%)	2,217,944	(7%)	
Total Liabilities	2,637,230	2,613,209	1%	2,733,739	(4%)	
Equity						
350.000 · Unrestricted Assets	1,593,408	1,593,408		1,076,284	48%	
Total 360.000 · Assigned Fund Balance	2,010,132	2,010,132		2,292,357	(12%)	
Total 370.000 · Restricted Fund Balance	242,870	242,870		240,524	1%	
390.000 · Net Fixed Assets (Capital)	2,492,762	2,492,762		2,492,762		
Net Income	615,960	535,471	15%	45,572	1,252%	YTD result
Total Equity	6,955,132	6,874,643	1%	6,147,499	13%	
TOTAL LIABILITIES & EQUITY	9,592,362	9,487,852	1%	8,881,238	8%	

	Jan 31, 22	Dec 31, 21
Month End Cash Balance	3,539,363	2,483,496
101.015 - TCB Keystone C 8641	(134,253)	(125,200)
103.100 - TCB USDA Debt Reserve 7237	(94,247)	(122,900)
370.010- Mitigation Fees	(122,150)	(122,150)
360.030- Asset Replacement Fund	(594,132)	(594,132)
AP & Payroll Liabilities	(444,420)	(416,151)
UNENCUMBERED CASH	2,150,161	1,102,963
Percent of Operating Reserve Goal	152%	78%
360.070- Operating Reserve	1,416,000	1,416,000

Del Puerto Health Care District
Balance Sheet
As of January 31, 2022

	Total 00 Tax Revenue			Total 01 DPHCD			Total 02 Patterson District Ambulance			Total 03 Del Puerto Health Center			Total 06 Keystone Bldg C			TOTAL		
	Jul '21 - Jan 22	Budget	% of Budget	Jul '21 - Jan 22	Budget	% of Budget	Jul '21 - Jan 22	Budget	% of Budget	Jul '21 - Jan 22	Budget	% of Budget	Jul '21 - Jan 22	Budget	% of Budget	Jul '21 - Jan 22	Budget	% of Budget
Ordinary Income/Expense																		
Income																		
401.000 · Gross Patient Service Revenue							6,024,047	5,200,228	116%	1,193,171	1,500,800	80%				7,217,218	6,701,028	108%
403.000 · Adjustments							(4,150,086)	#####	119%	3,387	(70,000)	(5%)				(4,146,699)	(3,545,442)	117%
405.000 · Bad Debt							(534,525)	(446,102)	120%	(24,970)	(11,667)	214%				(559,495)	(457,769)	122%
407.000 · Other Income				2,094	1,169	179%	38,187	38,167	100%	553,159	551,750	100%				593,440	591,086	100%
Total Income				2,094	1,169	179%	1,377,622	1,316,850	105%	1,724,747	1,970,883	88%				3,104,463	3,288,902	94%
Gross Profit				2,094	1,169	179%	1,377,622	1,316,850	105%	1,724,747	1,970,883	88%				3,104,463	3,288,902	94%
Expense																		
601.000 · Salaries & Wages				258,289	257,052	100%	774,851	732,068	106%	492,751	645,598	76%				1,525,891	1,634,718	93%
602.000 · Employee Benefits				71,913	79,000	91%	189,914	179,454	106%	154,512	192,670	80%				416,339	451,124	92%
603.000 · Professional Fees				28,473	78,917	36%	5,505	6,165	89%	410,515	380,802	108%				444,493	465,884	95%
604.000 · Purchased Services				6,936	6,624	105%	143,963	135,462	106%	118,871	117,273	101%				269,770	259,359	104%
605.000 · Supplies				4,617	3,722	124%	56,451	52,208	108%	53,981	47,921	113%				115,049	103,851	111%
606.000 · Utilities				4,563	4,579	100%	11,899	10,617	112%	25,735	24,733	104%				42,197	39,929	106%
607.000 · Rental and Lease				2,417	2,402	101%	221	222	100%	1,323	1,313	101%				3,961	3,937	101%
608.000 · Insurance Coverages				23,362	23,361	100%	104,616	104,289	100%	66,111	66,111	100%				194,089	193,761	100%
609.000 · Maintenance & Repairs				3,073	1,534	200%	45,229	34,708	130%	24,745	19,522	127%				73,047	55,764	131%
610.000 · Depreciation and Amortization				11,102	11,209	99%	89,096	87,973	101%	46,589	46,450	100%	27,765	27,765	100%	174,552	173,397	101%
611.000 · Other operating expenses				19,261	27,554	70%	97,829	99,313	99%	105,683	100,211	105%				222,773	227,078	98%
Total Expense				434,006	495,954	88%	1,519,573	1,442,479	105%	1,500,814	1,642,604	91%	27,765	27,765	100%	3,482,158	3,608,802	96%
Net Ordinary Income				(431,912)	(494,785)	87%	(141,951)	(125,629)	113%	223,933	328,280	68%	(27,765)	(27,765)	100%	(377,695)	(319,899)	118%
Other Income/Expense																		
Other Income																		
701.000 · District Tax Revenues	823,130	808,033	102%				140,133	140,408	100%							963,263	948,441	102%
702.000 · Impact Mitigation Fees	2,346		100%													2,346		100%
703.000 · Investment Income				1,155	3,792	30%	0			0		100%				1,155	3,792	30%
704.000 · Interest Expense										(34,112)	(34,118)	100%	(17,322)	(16,995)	102%	(51,434)	(51,113)	101%
705.000 · Tenant Revenue										600	600	100%	77,807	76,244	102%	78,407	76,844	102%
710.000 · Misc Other Income										6,795	3,000	227%				6,795	3,000	227%
Total Other Income	825,476	808,033	102%	1,155	3,792	30%	140,133	140,408	100%	(26,717)	(30,518)	88%	60,485	59,249	102%	1,000,532	980,964	102%
Other Expense																		
802.000 · Keystone District Expense													6,876	6,536	105%	6,876	6,536	105%
810.000 · Misc Other Expense																		
Total Other Expense													6,876	6,536	105%	6,876	6,536	105%
Net Other Income	825,476	808,033	102%	1,155	3,792	30%	140,133	140,408	100%	(26,717)	(30,518)	88%	53,609	52,713	102%	993,656	974,428	102%
Net Income	825,476	808,033	102%	(430,757)	(490,993)	88%	(1,818)	14,780	(12%)	197,216	297,762	66%	25,844	24,948	104%	615,961	654,530	94%

Del Puerto Health Care District
Balance Sheet
As of January 31, 2022

Type	Date	Num	Name	Credit	NOTES
101.000 - Cash and cash equivalents					
101.010 - Tri Counties Bank					
101.011 - TCB-Operating Checking 1739					
Check	01/15/2022	eft	USDA Rural Development Loan-EFT	10,060.00	
Bill Pmt -Check	01/03/2022	EFT	U.S. Bank Equipment Finance - EFT	126.27	
Bill Pmt -Check	01/10/2022	EFT	Umpqua Bank	5,045.27	
Bill Pmt -Check	01/25/2022	EFT	Athena Health, Inc.	9,365.84	
Bill Pmt -Check	01/25/2022	EFT	City Of Patterson-H2O, sewer, garbage	356.21	
Bill Pmt -Check	01/10/2022	EFT	FP Mailing Solutions	300.00	
Bill Pmt -Check	01/03/2022	30744	AA Guaranteed Electric	350.00	
Bill Pmt -Check	01/03/2022	30745	Bound Tree Medical LLC	1,306.28	
Bill Pmt -Check	01/03/2022	30746	CAA California Ambulance Association	1,500.00	
Bill Pmt -Check	01/03/2022	30747	DeliverHealth	237.00	
Bill Pmt -Check	01/03/2022	30748	FP Mailing Solutions	61.33	
Bill Pmt -Check	01/03/2022	30749	McKesson Medical Surgical Inc.	1,375.20	
Bill Pmt -Check	01/03/2022	30750	MD - Rodriguez, Jose	35,333.33	
Bill Pmt -Check	01/03/2022	30751	National Association of EMS Educators	95.00	
Bill Pmt -Check	01/03/2022	30752	PG&E	795.74	
Bill Pmt -Check	01/03/2022	30753	Randik Paper Co	500.83	
Bill Pmt -Check	01/03/2022	30754	Sanofi Pasteur, Inc	728.19	
Bill Pmt -Check	01/03/2022	30755	SEMSA Sierra Medical Services Allianc	8,479.08	
Bill Pmt -Check	01/03/2022	30756	Verizon Wireless	444.50	
Bill Pmt -Check	01/03/2022	30757	Weatherby Locums, Inc	5,540.70	
Bill Pmt -Check	01/03/2022	30758	Zoll	1,299.40	
Check	01/12/2022	30759	REFUND - Ambulance:REFUND - Antf	4,064.10	
Check	01/12/2022	30760	REFUND - Ambulance:REFUND - Antf	3,271.50	
Check	01/12/2022	30761	REFUND - Ambulance:REFUND - San	49.70	
Check	01/12/2022	30762	REFUND - Ambulance:REFUND - Antf	300.00	
Check	01/12/2022	30763	REFUND - Ambulance:REFUND - Mod	844.06	
Check	01/12/2022	30764	REFUND - Ambulance:REFUND - Mod	426.25	
Check	01/12/2022	30765	REFUND - Ambulance:REFUND - Gon	300.00	
Bill Pmt -Check	01/12/2022	30766	Airgas USA, LLC	194.12	
Bill Pmt -Check	01/12/2022	30767	AMR-American Medical Response	7,574.00	
Bill Pmt -Check	01/12/2022	30768	AMS Software Inc.	181.00	
Bill Pmt -Check	01/12/2022	30769	Beta Healthcare Group	1,965.59	
Bill Pmt -Check	01/12/2022	30770	BICSEC Security, Inc	25.00	
Bill Pmt -Check	01/12/2022	30771	Bound Tree Medical LLC	519.51	
Bill Pmt -Check	01/12/2022	30772	Comcast - Other	100.38	
Bill Pmt -Check	01/12/2022	30773	Crescent Work & Outdoor #1	215.75	
Bill Pmt -Check	01/12/2022	30774	Data Path, Inc	5,506.31	
Bill Pmt -Check	01/12/2022	30775	DeliverHealth	79.00	
Bill Pmt -Check	01/12/2022	30776	Delta Wireless	2,202.87	
Bill Pmt -Check	01/12/2022	30777	Department of Health Care Services	18,607.29	GEMT FY2011
Bill Pmt -Check	01/12/2022	30778	Frontier-3755	211.18	
Bill Pmt -Check	01/12/2022	30779	Frontier - HC 8639	212.49	
Bill Pmt -Check	01/12/2022	30780	GreenWorks Janitorial Services	4,145.00	
Bill Pmt -Check	01/12/2022	30781	Language Line	330.39	
Bill Pmt -Check	01/12/2022	30782	Life-Assist	1,797.49	
Bill Pmt -Check	01/12/2022	30783	McAuley Ford	1,215.10	

Del Puerto Health Care District
Balance Sheet
As of January 31, 2022

Type	Date	Num	Name	Credit	NOTES
Bill Pmt -Check	01/12/2022	30784	MedStatix, Inc	120.00	
Bill Pmt -Check	01/12/2022	30785	MedTech Billing Services, Inc	7,725.00	
Bill Pmt -Check	01/12/2022	30786	Mission Linen Supply	524.48	
Bill Pmt -Check	01/12/2022	30787	O'Reilly Auto Parts	64.37	
Bill Pmt -Check	01/12/2022	30788	Patterson Irrigator	30.00	
Bill Pmt -Check	01/12/2022	30789	Paul Oil Co., Inc.	2,958.71	
Bill Pmt -Check	01/12/2022	30790	Pfizer Inc.	2,055.73	
Bill Pmt -Check	01/12/2022	30791	Physicians Service Bureau	269.92	
Bill Pmt -Check	01/12/2022	30792	ReadyRefresh by Nestle	153.03	
Bill Pmt -Check	01/12/2022	30793	Sanofi Pasteur, Inc	258.73	
Bill Pmt -Check	01/12/2022	30794	Stanislaus County Department of Agric	611.00	
Bill Pmt -Check	01/12/2022	30795	Staples Advantage	375.03	
Bill Pmt -Check	01/12/2022	30796	Stericycle	716.63	
Bill Pmt -Check	01/12/2022	30797	Streamline/Digital Deployment	260.00	
Bill Pmt -Check	01/12/2022	30798	Stryker Sales Corporation	2,667.81	
Bill Pmt -Check	01/12/2022	30799	Terminix	63.00	
Bill Pmt -Check	01/12/2022	30800	TID Turlock Irrigation District +06	930.63	
Bill Pmt -Check	01/12/2022	30801	Weatherby Locums, Inc	"VOID"	
Bill Pmt -Check	01/12/2022	30802	Westside Landscape & Concrete	682.50	
Bill Pmt -Check	01/12/2022	30803	Zoll	1,058.70	
Bill Pmt -Check	01/12/2022	30804	Business View Magazine	1,450.00	
Bill Pmt -Check	01/24/2022	30805	MD - Rodriguez, Jose	9,029.70	
Check	01/25/2022	30806	REFUND - Ambulance:REFUND - Ten	303.82	
Check	01/25/2022	30807	REFUND - Ambulance:REFUND - Plun	200.00	
Bill Pmt -Check	01/25/2022	30808	A West Side Self Storage	244.20	
Bill Pmt -Check	01/25/2022	30809	Airgas USA, LLC	269.20	
Bill Pmt -Check	01/25/2022	30810	Amazon	202.30	
Bill Pmt -Check	01/25/2022	30811	Beta Healthcare - Workers Comp	5,830.00	
Bill Pmt -Check	01/25/2022	30812	Beta Healthcare Group	16,560.91	
Bill Pmt -Check	01/25/2022	30813	Bound Tree Medical LLC	272.87	
Bill Pmt -Check	01/25/2022	30814	CARHC-CA Assoc. of Rural Health C	300.00	
Bill Pmt -Check	01/25/2022	30815	City Of Patterson-H2O, sewer, garbage	501.80	
Bill Pmt -Check	01/25/2022	30816	Greenway Health	1,096.20	
Bill Pmt -Check	01/25/2022	30817	Life-Assist	3,251.37	
Bill Pmt -Check	01/25/2022	30818	McKesson Medical Surgical Inc.	2,241.49	
Bill Pmt -Check	01/25/2022	30819	Mission Linen Supply	483.79	
Bill Pmt -Check	01/25/2022	30820	P&M Prestigious Plumbing	1,532.86	
Bill Pmt -Check	01/25/2022	30821	Pacific Records Management	259.90	
Bill Pmt -Check	01/25/2022	30822	Patterson Tire	45.00	
Bill Pmt -Check	01/25/2022	30823	Paul Oil Co., Inc.	2,876.66	
Bill Pmt -Check	01/25/2022	30824	PG&E	186.52	
Bill Pmt -Check	01/25/2022	30825	Staples Advantage	68.53	
Bill Pmt -Check	01/25/2022	30826	Stericycle / Shred-it	338.75	
Bill Pmt -Check	01/25/2022	30827	Teleflex / Arrow	615.81	
Bill Pmt -Check	01/25/2022	30828	West Side Storage Baldwin	193.50	
Bill Pmt -Check	01/25/2022	30829	Yosemite Lock & Key	28.05	
Total 101.011 · TCB-Operating Checking 1739				207,546.75	
101.012 · TCB-Payroll Account 2999					
Liability Check	01/05/2022		Payroll Direct Deposit	63,570.38	

Del Puerto Health Care District
Balance Sheet
As of January 31, 2022

Type	Date	Num	Name	Credit	NOTES
Liability Check	01/19/2022		Payroll Direct Deposit	58,376.86	
Liability Check	01/20/2022		Payroll Direct Deposit	349.95	
Liability Check	01/06/2022	EFT	AIG (VALIC)	11,924.39	
Liability Check	01/20/2022	EFT	AIG (VALIC)	7,533.63	
Liability Check	01/20/2022	EFT	AIG (VALIC)	3,815.41	
Liability Check	01/06/2022	E-pay	EDD State of California	5,369.29	
Liability Check	01/06/2022	E-pay	Internal Revenue Service	26,618.08	
Liability Check	01/06/2022	E-pay	EDD State of California	2,256.96	
Liability Check	01/20/2022	E-pay	EDD State of California	4,839.18	
Liability Check	01/20/2022	E-pay	Internal Revenue Service	24,477.74	
Liability Check	01/21/2022	E-pay	EDD State of California	4.60	
Liability Check	01/21/2022	E-pay	Internal Revenue Service	88.98	
Paycheck	01/06/2022	25052	Employee Payroll	2,473.95	
Paycheck	01/06/2022	25053	Employee Payroll	872.15	
Paycheck	01/06/2022	25054	Employee Payroll	1,018.72	
Liability Check	01/06/2022	25055	United Steelworkers	392.85	
Liability Check	01/06/2022	25056	AFLAC	1,595.36	
Paycheck	01/20/2022	25057	Employee Payroll	3,969.29	
Paycheck	01/20/2022	25058	Employee Payroll	872.18	
Paycheck	01/20/2022	25059	Employee Payroll	462.87	
Liability Check	01/20/2022	25060	CA Choice	37,714.66	
Liability Check	01/20/2022	25061	United Steelworkers	352.40	
Liability Check	01/20/2022	25062	LegalShield	485.60	
Liability Check	01/20/2022	25063	Principal Life Insurance Co	4,467.68	
Total 101.012 · TCB-Payroll Account 2999				263,903.16	
101.015 · TCB - Keystone C 8641					
Bill Pmt -Check	01/12/2022	EFT	Tri Counties Bank	7,442.07	
Bill Pmt -Check	01/12/2022	10269	Gilberto Arroyo-06	365.00	
Bill Pmt -Check	01/12/2022	10270	TID Turlock Irrigation District +06	293.15	
Bill Pmt -Check	01/25/2022	10271	City Of Patterson-H2O, sewer, garbage	124.40	
Total 101.015 · TCB - Keystone C 8641				8,224.62	
Total 101.010 · Tri Counties Bank				479,674.53	
Total 101.000 · Cash and cash equivalents				479,674.53	
103.000 · Restricted Funds					
103.100 · TCB-USDA Debt Reserve 7237					
Check	01/15/2022	eft	USDA Rural Development Loan-EFT	10,060.00	
Total 103.100 · TCB-USDA Debt Reserve 7237				10,060.00	
Total 103.000 · Restricted Funds				10,060.00	
TOTAL				489,734.53	
Less: Irregular Items					
GEMT FY2011 Due amount				18,607.29	
TOTAL MONTH WARRANTS				471,127.24	

**Del Puerto Health Care District
FY2021-22 MID YEAR BUDGET**

OVERALL	Total 00 Tax Revenue	Total 01 DPHCD			Total 02 Patterson District Ambulance			Total 03 Del Puerto Health Center			Total 06 Keystone Bldg C	BUDGET		Total Adjustment	(New) Proposed Budget
	Budget Jul '21 - Jun 22	Budget Jul '21 - Jun 22	Adjustment	New Budget	Budget Jul '21 - Jun 22	Adjustment	New Budget	Budget Jul '21 - Jun 22	Adjustment	New Budget	Budget Jul '21 - Jun 22	Jul '21 - Jun 22			
	Ordinary Income/Expense														
Income															
401.000 · Gross Patient Service Revenue				0	8,892,390	78,000	8,970,390	2,632,800	(210,000)	2,422,800		11,525,190	(132,000)	11,393,190	
403.000 · Adjustments				0	(5,957,901)		(5,957,901)	(120,000)		(120,000)		(6,077,901)		(6,077,901)	
405.000 · Bad Debt				0	(764,746)		(764,746)	(20,000)		(20,000)		(784,746)		(784,746)	
407.000 · Other Income		2,000		2,000	2,000	37,000	39,000	123,000	480,000	603,000		127,000	517,000	644,000	
Total Income		2,000		2,000	2,171,743	115,000	2,286,743	2,615,800	270,000	2,885,800		4,789,543	385,000	5,174,543	
Gross Profit		2,000		2,000	2,171,743	115,000	2,286,743	2,615,800	270,000	2,885,800		4,789,543	385,000	5,174,543	
Expense															
601.000 · Salaries & Wages		440,660		440,660	1,237,832	60,000	1,297,832	1,106,740		1,106,740		2,785,232	60,000	2,845,232	
602.000 · Employee Benefits		135,064		135,064	281,080	18,000	299,080	330,340		330,340		746,484	18,000	764,484	
603.000 · Professional Fees		103,000		103,000	10,640		10,640	423,389	132,000	555,389		537,029	132,000	669,029	
604.000 · Purchased Services		11,355		11,355	201,363	18,000	219,363	201,040		201,040		413,758	18,000	431,758	
605.000 · Supplies		6,380		6,380	89,300		89,300	82,150		82,150		177,830		177,830	
606.000 · Utilities		7,850		7,850	18,200		18,200	42,400		42,400		68,450		68,450	
607.000 · Rental and Lease		4,117		4,117	380		380	2,250		2,250		6,747		6,747	
608.000 · Insurance Coverages		40,047		40,047	178,781		178,781	113,333		113,333		332,161		332,161	
609.000 · Maintenance & Repairs		2,630		2,630	59,500		59,500	24,894	5,000	29,894		87,024	5,000	92,024	
610.000 · Depreciation and Amortization		11,330	8,000	19,330	147,899	25,000	172,899	79,154		79,154	47,597	285,980	33,000	318,980	
611.000 · Other operating expenses	17,000	47,192		47,192	179,393		179,393	119,086	30,000	149,086		362,671	30,000	392,671	
Total Expense	17,000	809,625	8,000	817,625	2,404,368	121,000	2,525,368	2,524,776	167,000	2,691,776	47,597	5,803,366	296,000	6,099,366	
Net Ordinary Income	(17,000)	(807,625)	(8,000)	(815,625)	(232,625)	(6,000)	(238,625)	91,024	103,000	194,024	(47,597)	(1,013,823)	89,000	(924,823)	
Other Income/Expense															
Other Income															
701.000 · District Tax Revenues	1,385,200			-	240,700		240,700			-		1,625,900		1,625,900	
702.000 · Impact Mitigation Fees				-			-			-		0		0	
703.000 · Investment Income		6,500		6,500			-			-		6,500		6,500	
704.000 · Interest Expense				-			-	(57,700)		(57,700.00)	(28,596)	(86,296)		(86,296)	
705.000 · Tenant Revenue				-			-	600		600.00	130,704	131,304		131,304	
710.000 · Misc Other Income				-			-	5,500		5,500.00		5,500		5,500	
Total Other Income	1,385,200	6,500		6,500	240,700		240,700	(51,600)		(51,600)	102,108	1,682,908		1,682,908	
Other Expense															
802.000 · Keystone District Expense											11,205	11,205		11,205	
810.000 · Misc Other Expense														0	
Total Other Expense											11,205	11,205		11,205	
Net Other Income	1,385,200	6,500		6,500	240,700	0	240,700	(51,600)	0	(51,600)	90,903	1,671,703		1,671,703	
Net Income	1,368,200	(801,125)	(8,000)	(809,125)	8,075	(6,000)	2,075	39,424	103,000	142,424	43,306	657,880	89,000	746,880	

DEL PUERTO HEALTH CARE DISTRICT

Board of Directors

RESOLUTION NO. 2022-02

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE DEL PUERTO HEALTH CARE DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE DEL PUERTO HEALTH CARE DISTRICT FOR THE PERIOD FEBRUARY 28, 2022, THROUGH APRIL 2, 2022, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Del Puerto Health Care District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the Del Puerto Health Care District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Number 2021-08 on September 29, 2021, finding that the requisite conditions exist for the legislative bodies of Del Puerto Health Care District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions now exist in the District, specifically, continuing impacts from the Covid-19 pandemic that resulted in the proclamation of a State-wide public health emergency by Governor Gavin Newsom on March 4, 2020, that remains active with modified restrictions as set out in the Governor's Executive Order N-08-21; and

WHEREAS, Stanislaus County California, within which the Administrative offices of the Del Puerto Health Care District are located, currently maintains a Public Health Emergency Isolation Order a Public Health

DEL PUERTO HEALTH CARE DISTRICT

Board of Directors

Emergency Quarantine Order and a Public Health Indoor Mask Order pursuant to the Health and Safety Code Sections 101040, 101085, 120175, 120215, 120220 and 120225; and

WHEREAS, the Board of Directors does hereby find that the ongoing Covid-19 pandemic, AND Local Public Health Department social distancing and masking requirements are indicative of existing continuing conditions that have caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District if its governing body were to meet in person, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of the Del Puerto Health Care District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the Del Puerto Health Care District has and will provide remote access to meetings, an ability to comment on each agenda item, will provide a roll-call vote on each action item, and will otherwise comply with the requirements of AB 361 (2021).

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE DEL PUERTO HEALTH CARE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board hereby proclaims / affirms that a local emergency now exists throughout the District, and in-person meetings at the facilities available to it are insufficient to adequately provide opportunities for social distancing or other health directives of Stanislaus County for assemblies of moderate to large groups of persons including members of the public, that are consistent with those requirements.

Section 3. Re-Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its initial issuance date of March 4, 2020, which state of emergency has continued in place until further notice and which has been the subject of restrictions most recently amended in Executive Order N-08-21.

Section 4. Remote Teleconference Meetings. The Administrative Director / CEO and legislative bodies of the Del Puerto Health Care District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) March 2, 2022 or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the Del Puerto Health Care District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

DEL PUERTO HEALTH CARE DISTRICT

Board of Directors

PASSED AND ADOPTED by the Board of Directors of the Del Puerto Health Care District, this 31st day of January 2022, by the following vote:

Motion Made By	Motion	Second
<i>Director Avila</i>		
<i>Director Campo</i>		
<i>Director Mac Master</i>		
<i>Director Pittson</i>		
<i>Director Stokman</i>		

Roll Call Vote	Aye	No	Abstain	Absent
<i>Director Avila</i>				
<i>Director Campo</i>				
<i>Director Mac Master</i>				
<i>Director Pittson</i>				
<i>Director Stokman</i>				

RESOLUTION IS:

_____ *Adopted*

_____ *Failed*

I, Cheryle Pickle, Clerk of the Board of Directors of the DEL PUERTO HEALTH CARE DISTRICT, do hereby CERTIFY that the foregoing is a full, true, and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors held the 31st day of January 2022.

Cheryle Pickle, Board Clerk

Date

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT**Board Meeting – February 28, 2022****12F Statement of Investment Policy Update****Page 1 of 1**

DEPT: CHIEF EXECUTIVE OFFICE	CONSENT CALENDAR:	NO
CEO CONCURRENCE: YES	4/5 VOTE REQUIRED:	NO

SUBJECT: **Statement of Investment Policy Update**

STAFF RECOMMENDATION: The Board adopt the recommended updates to the Investment Policy.

CONSIDERATIONS: The District has been guided by the Statement of Investment Policy since 2002. It has been reviewed three times, the last time in January 2021. In late 2021, the Finance Committee interviewed and recommended the selection of an investment banker. During that process additional changes were recommended to be made to the policy. The changes are indicated in the redline version attached.

POLICY ISSUE: Fiscal accountability

FISCAL IMPACT: None

DISTRICT PRIORITY: Regular review of governance policies

STAFFING IMPACT: None

CONTACT PERSON: Karin Hennings

ATTACHMENT(S): Statement of Investment Policy Draft Update

RECOMMENDED BOARD ACTION:**ROLL CALL REQUIRED:** YES**RECOMMENDED MOTION:** *I move the Board of Directors adopt the updated Statement of Investment Policy as presented.*

DEL PUERTO HEALTH CARE DISTRICT
POLICY AND PROCEDURE

SECTION: FINANCE
POLICY NUMBER: 2135
PAGE: 1/12

STATEMENT OF INVESTMENT POLICY	EFFECTIVE DATE
	August 27, 2002

REVIEW DATES: August 2003 / June 2008 / September 2011	REVISION DATES: December 5, 2011; November 30, 2020
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PURPOSE

This statement provides guidelines for the prudent investment and cash management of the District's funds.

The purpose of this policy is to establish Del Puerto Health Care District's capital investment objectives, authority and responsibility, approval, instrument limitations, concentrations, terms, reporting, judgment and care, and Finance Committee's liability for all of its funds.

OBJECTIVE

The District's cash management system is designed to monitor and forecast accurately expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible. The District's primary objective is to safeguard the principal of the funds; the second objective is to meet the liquidity needs of the District; and the third objective is to achieve a return on the invested funds.

POLICY

At all times, the District shall invest and deposit its funds in accordance with the rules and restrictions established by the laws of the State of California (Government Code Section 53600 et seq.). The District shall conduct its investments under the "prudent investor standard" set forth in California Government Code Section 53600.3:

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

AUTHORITY AND RESPONSIBILITY

The Finance Committee shall have the authority and responsibility to purchase and invest prudently. The Finance Committee is comprised of two Board Members, who meet monthly to review finances of the District. The member and the chairperson are appointed by the President at the first meeting immediately upon the election of officers, and shall serve for one (1) year, unless sooner removed or resigns (DPHCD Bylaws). The Board hereby delegates to the CEO/Administrator with the approval and recommendations of the Finance Committee, the authority to determine and select appropriate investments and direct the deposit of District funds in accordance with this Policy.

DEL PUERTO HEALTH CARE DISTRICT
POLICY AND PROCEDURE

SECTION: FINANCE
POLICY NUMBER: 2135
PAGE: 2/12

STATEMENT OF INVESTMENT POLICY	EFFECTIVE DATE
	August 27, 2002

The Finance Committee shall review investments and policy matters and shall make recommendations, at least annually, to the Board of Directors.

The CEO/Administrator will investigate and recommend investments within the guidelines of this policy. The CEO/Administrator shall have the authority to act pursuant to the instructions and directions of the Finance Committee with respect to investing and depositing District funds within the limitations of this policy.

CRITERIA FOR INVESTMENTS

1. Criteria for Selecting Investments. Criteria for selecting investments are:
 - a. Safety. The safety and risk associated with an investment refer to the potential loss of principal, interest, or a combination of these amounts. The District shall operate only in those investments that are considered very safe as determined by a qualified investment broker.
 - b. Liquidity. An adequate percentage of the portfolio, in the approximate amount of annual operating expenses, should be maintained in liquid short-term investments, which can be converted to cash if necessary to meet disbursement requirements. A short-term investment is defined as any investment, which matures within a one-year period.
 - c. Yield. Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.
2. Delivery and Safekeeping of Securities. Securities shall be delivered by book entry, physical delivery or by third party custodial agreement. (California Government Code Section 53601). All securities will be kept safe in the name of Del Puerto Health Care District and will be held by a financial institution authorized by the Del Puerto Health Care Board of Directors.
3. Diversification. The portfolio should consist of a mix of authorized types of investments described in this policy. As a rule, long-term maturities should not represent a significant percentage of the total portfolio, as the principal risk involved can outweigh the potential for higher earnings. No more than \$1,000,000 shall be invested in any one corporation or diversified management company. Subject to the requirements of this policy there shall be no restrictions on the amounts invested in the State of California Local Agency Investment Fund and in U.S. Government guaranteed instruments. No more than 20% of the total invested assets may be invested in securities of any one bank, corporation, or other legal entity.
4. Terms of Investments. Except for public statutory exceptions or when authorized by the Board of Directors either specifically or as part of an investment program no less than 3 months prior to the investment, no investment shall be made in a security with a term remaining to maturity in excess of five years. (California Government Code

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Section 53601). Investments must be redeemable prior to maturity, even if with a penalty, or salable in an established secondary market.

~~Per the Del Puerto Board of Directors:~~

- ~~• No more than 60% of the portfolio is to be invested in instruments maturing beyond 2 years.~~
- ~~• No more than 20% of the portfolio is to be invested in instruments maturing beyond 4 years.~~

5. Allowable Investment Instruments. The District may invest in the investment instruments authorized by the California Government Code, subject to any conditions set forth in the California Government Code. The list of authorized investments is Attached hereto as Appendix A. Appendix A shall be revised as necessary to reflect any amendments to Government Code Section 53601.

Investment Type	Maximum Remaining Maturity	Maximum Specified % Portfolio	Minimum Quality Requirements	Government Code Section
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSROH	53601(h)(2)(c)
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSROH	53601(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8

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Placement Service Certificates of Deposit	5 years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-term Notes N	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)

With respect to commercial paper and long-term debt, the following criteria shall apply:

- A. A-/P-1 rating on commercial paper from Standard & Poor's or Moody's Investor Service.
- #
- B. Single "A" category or better long-term debt rating or its equivalent, if any, from Standard & Poor's or Moody's Investor Service.

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6. Local Agency Investment Fund. In addition to the investment instruments set forth in Appendix A, the Chief Financial Officer may invest District funds in the Local Agency Investment Fund pursuant to California Government Code Section 16429.1.
7. Prohibited Investments. The District shall not invest any funds in inverse floaters, range notes or interest-only strips that are derived from a pool of mortgages. The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity, [except under a provision sunseting on January 1, 2026, securities issued or backed by the U.S. Government that could result in a negative or zero interest accrual if held to maturity are permitted](#); however, the District may hold a prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in California Government Code Section 53601.6.

GUIDELINES FOR REGULAR EVALUATION OF RESULTS

DPHCD's investment portfolio will be evaluated against a benchmark representing a comparable investment in short-term US Treasuries. While yield and income can be important factors while evaluating budget and other concerns the portfolio should be evaluated on a "total return" basis, incorporating both income and market value in the performance calculation. The current performance benchmark for DPHCD's investment portfolio is Local Agency Investment Fund Quarterly Apportionment Rate. Changes to the benchmark in the future will be allowable through discussions between the CEO/Administrator and the Finance Committee and subject to board approval. Performance should be evaluated longer term in the context of a full market cycle which we consider to be in the range of 5-7 years.

CRITERIA FOR DEPOSIT OF FUNDS

Unless otherwise invested pursuant to this Policy, all money belonging to or in the custody of the District including money paid to the District to pay the principal, interest or penalties of bonds, shall as far as possible be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by California Government Code Section 53630).

The District recognizes the need for local community support and therefore has designated investment in local community banks that serve within the District. Funds will be deposited with those banks with consideration to the need for preservation of capital, liquidity and yield.

Pursuant to California Government Code Section 53638, the maximum deposit shall not exceed the shareholder's equity in any depository bank; the total net worth of any depository savings association; or the total of unimpaired capital and surplus of any credit union or industrial loan company.

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Pursuant to California Government Code Sections 53635, 53637 and 53638, the money shall be deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

No more than \$1,000,000 principal shall be deposited in any single bank or savings and loan association with regulatory collateralization requirements. No more than the highest insured amount of principal shall be deposited in any single bank or savings and loan association with insurance through FDIC or FSLIC.

Banks or savings and loan associations must also have consistently profitable operations, and must have net worth ratios, which exceed their regulatory requirements.

REPORTING

Monthly: The CEO/ADMINISTRATOR shall render a monthly report to the Finance Committee of the District showing the type of investment, institution, date purchased, date of maturity, amount of deposit and rate of interest.

Quarterly: In addition, the Finance Committee shall, each quarter, render to the Board a report that includes the following information:

1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the District;
2. description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs;
3. for all securities held by the District or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund, a current market value as of the date of the report and the source of this valuation;
4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and
5. statement that the District has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

If the District places all of its investments in the Local Agency Investment Fund, Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association or county investment pool (or any combination of these three), the Treasurer can submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements

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of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (California Government Code Section 53646(b)-(e).)

DISTRICT TREASURER LIABILITY

When District funds are invested in accordance with this Statement of Investment Policy, the Finance Committee shall not be liable for any loss resulting from the default or insolvency of an authorized depository in the absence of negligence, malfeasance, misfeasance or nonfeasance on the part of the Finance Committee.

CONFLICTS OF INTEREST

DPHCD recognizes that inherent conflicts of interest exist across a multi-faceted financial industry. DPHCD's Finance Committee and CEO/Administrator will strive to identify, document, and where necessary avoid known areas of conflict or potential conflicts of interest. At a minimum, known conflicts of interest must be documented for review and communicated to DPHCD's Finance Committee. Arrangements with potential conflict should be analyzed carefully weighing the conflicts against the opportunity. The CEO/Administrator is required to provide written notification disclosing conflicts of interest surrounding investments with affiliated entities such as mutual funds, investment managers, and service providers.

PROCESS FOR REVIEWING THE INVESTMENT POLICY STATEMENT –

DPHCD's Investment Policy Statement shall be reviewed on a triennial basis at a minimum. Major changes to Investment Policy require the approval of DPHCD's Board on recommendation from the Finance Committee. Ongoing maintenance and minor changes to policy shall be the responsibility of the CEO/Administrator and will be reviewed by the Finance Committee, subject to final Board approval.

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APPENDIX A

- (a) Bonds issued by the District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- (b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- (d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.
- (f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances. Purchases of banker's acceptances may not exceed 180 days maturity or 40 percent of the agency's surplus money that may be invested pursuant to this section. However, no more than 30 percent of the agency's surplus funds may be invested in the banker's acceptances of any one commercial bank pursuant to this section.
- (g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "A" [category](#) or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money that may be invested pursuant to this section. An additional 15 percent, or a total of 30 percent of the agency's surplus money may be invested pursuant to this subdivision. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity, divided

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by the total amount of outstanding commercial paper.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the Financial Code) or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's surplus money, which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638.

(i) (1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including, the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when either of the following conditions are met:

(A) The security was owned or specifically committed to purchase, by the local agency, prior to December 31, 1994, and was sold using a reverse repurchase agreement or securities lending agreement on December 31, 1994.

(B) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency not purchased or committed to purchase, prior to December 31, 1994, does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) After December 31, 1994, a reverse repurchase agreement or securities lending agreement may not be entered into with securities not sold on a reverse repurchase agreement or securities lending agreement and purchased, or committed to purchase, prior to that date, as a means of financing or paying for the security sold on a reverse repurchase agreement or securities lending agreement, but may only be entered into with securities owned and previously paid for a minimum of 30 days prior to the settlement of the reverse

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repurchase agreement or securities lending agreement, in order to supplement the yield on securities owned and previously paid for or to provide funds for the immediate payment of a local agency obligation. Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement, on securities originally purchased subsequent to December 31, 1994, shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

Reverse repurchase agreements or securities lending agreements specified in subparagraph (B) of paragraph (3) may not be entered into unless the percentage restrictions specified in that subparagraph are met, including the total of any reverse repurchase agreements or securities lending agreements specified in subparagraph (A) of paragraph (3).

(5) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security, may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York.

(6) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) or purposes of this section, the base value of the local agency's pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way

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of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods. For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" category or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section.

(k) (l) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (*15 U.S.C. Sec. 80a-1* and following).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally, recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

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(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section. However, no more, than 10 percent of the agency's surplus funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(l) Notwithstanding anything to the contrary contained in this section, Section 53635, or any other provision of law, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(n) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be ~~issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated high A~~ rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service.

Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

[Appendix A to be amended to reflect any amendments to Government Code Section 53601]

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT**Board Meeting – February 28, 2022****Retirement Plan Amendments****Page 1 of 1**

Department: Chief Executive Office

CEO Concurrence: Yes

Consent Calendar: No

4/5 Vote Required: No

SUBJECT: Del Puerto Health Care District Pension Restatement**STAFF REPORT:** The District has two retirement plan programs in place: Plan 001 414(h) and Plan 002 457(b). The District contributes 4% of benefitted employee's compensation to Plan 001 and matches 50 cents on the dollar up to 3% of an employee's compensation to Plan 002.

Our Plan 001 document has been amended and restated for the IRS required six-year cycle known as "Cycle 3 Restatement". The IRS requires plan sponsors to adopt a new version of our plan document, called a "Plan restatement." This ensures our plan reflects new laws and regulations that affect tax qualified plans. All Cycle 3 Restatements must be restated and signed no later than July 31, 2022.

CONSIDERATIONS: The plan restatement has no changes to the substance of the plans.**DISTRICT PRIORITY:** Benefits that contribute to the recruitment and retention of employees**POLICY ISSUE:** Fiscal transparency**FISCAL IMPACT:** No change from current contributions**STAFFING IMPACT:** Required for benefit administration**CONTACT PERSON:** Karin Hennings**ATTACHMENT(S):** 2022 Restatement Retirement Plan 001 – 414(h)**RECOMMENDED BOARD ACTION:**

ROLL CALL REQUIRED: YES

RECOMMENDED MOTION: *I move the Board of Directors adopt the 2022 Restatement of Retirement Plan 001 as presented and authorize the CEO to execute the document.*

Del Puerto Health Care District
NONSTANDARDIZED GOVERNMENTAL MONEY PURCHASE PLAN
ADOPTION AGREEMENT #002

By executing this Nonstandardized Governmental Money Purchase Plan Adoption Agreement (the "Adoption Agreement" or "AA"), the undersigned Employer agrees to establish or continue a Governmental Money Purchase Plan for its Employees. The Governmental Money Purchase Plan adopted by the Employer consists of the Governmental Defined Contribution Pre-Approved Plan Basic Plan Document #03 (the "BPD") and the elections made under this Adoption Agreement (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Adoption Agreement.**

SECTION 1
EMPLOYER INFORMATION

1-1 EMPLOYER INFORMATION.

Name: Del Puerto Health Care District

Address: 875 E Street

Patterson, California 95363

Telephone: 209-892-8781

1-2 EMPLOYER IDENTIFICATION NUMBER (EIN). 94-6003380

1-3 FORM OF BUSINESS.

State or political subdivision of a State

State agency or instrumentality

Indian Tribal Government

Describe other Employer qualified to adopt a Governmental Plan: Hospital/Health Care District

1-4 EMPLOYER'S TAX YEAR END. The Employer's tax year ends June 30

1-5 RELATED EMPLOYERS. Is the Employer part of a group of Related Employers (as defined in Section 1.83 of the Plan)?

Yes

No

If yes, Related Employers may be listed below. A Related Employer must execute a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

[Note: This AA §1-5 is for informational purposes and Employers need not list Related Employers. The failure to identify all Related Employers will not jeopardize the qualified status of the Plan.]

SECTION 2
PLAN INFORMATION

2-1 PLAN NAME. Del Puerto Health Care District Pension Plan

Original Effective Date: January 1, 1989

Restatement Effective Date: January 1, 2022

2-2 PLAN NUMBER. 001

2-3 TYPE OF PLAN. This Plan is a Money Purchase Defined Contribution Plan.

The Plan is intended to be a FICA Replacement Plan (as defined under Section 4.03 of the Plan).

[Note: Elections under this AA must be consistent with the requirements of a FICA Replacement Plan as described under Section 4.03 of the Plan.]

2-4 PLAN YEAR.

- (a) Calendar year.
- (b) The 12-consecutive month period ending on _____ each year.
- (c) The Plan has a Short Plan Year running from ____ to ____.

2-5 FROZEN PLAN. Check this AA §2-5 if the Plan is a frozen Plan to which no contributions will be made.

- This Plan is a frozen Plan effective _____. (See Section 3.02(b)(6) of the Plan.)

[Note: As a frozen Plan, the Employer will not make any contributions with respect to Plan Compensation earned after such date and no Participant will be permitted to make any contributions to the Plan after such date. In addition, no Employee will become a Participant after the date the Plan is frozen.]

2-6 MULTIPLE EMPLOYER PLAN. Is this Plan a Multiple Employer Plan as defined in Section 16.07 of the Plan? (See Section 16.07 of the Plan for special rules applicable to Multiple Employer Plans.)

- Yes
- No

2-7 PLAN ADMINISTRATOR.

- (a) The Employer identified in AA §1-1.

- (b) Name: _____
- Address: _____
- Telephone: _____

2-8 DEFINITION OF DISABLED. An individual is considered Disabled for purposes of applying the provisions of this Plan if:

- (a) The individual is covered by the Employer's disability insurance plan and is determined to be disabled under such plan.
- (b) The individual is determined to be disabled by the Social Security Administration under Section 223(d) of the Social Security Act for purposes of determining eligibility for Social Security benefits.
- (c) The Plan Administrator determines an individual is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence. The Plan Administrator may establish reasonable procedures for determining whether a Participant is Disabled.

[Note: An Employer may elect any or all of (a), (b) and (c) above. If more than one of (a), (b) and (c) is selected, the hierarchy for determining whether an individual is considered Disabled is (a), then (b) and then (c), unless described otherwise under separate administrative procedures or under subsection (d) below.]

- (d) Alternative definition of Disabled: _____

[Note: Any alternative definition described above will apply uniformly to all Participants under the Plan and will be applied in a nondiscretionary manner. The Employer may describe different definitions of Disabled for different purposes under the plan.]

**SECTION 3
ELIGIBLE EMPLOYEES**
3-1 ELIGIBLE EMPLOYEES. In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan. See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.

- (a) No exclusions
- (b) Collectively Bargained Employees
- (c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income

- (d) Leased Employees
- (e) Employees paid on an hourly basis
- (f) Employees paid on a salaried basis
- (g) Employees in an elected or appointed position
- (h) Part-Time Employees (as defined in Section 1.71 of the Plan)
- (i) Seasonal Employees (as defined in Section 1.89 of the Plan)
- (j) Temporary Employees (as defined in Section 1.93 of the Plan)
- (k) Employees eligible for another qualified plan sponsored by the Employer or a Related Employer
- Specify name of other qualified plan (optional): _____
- (l) Other: Employees classified as non-benefit eligible shall be excluded

[Note: The elections under this AA §3-1 apply to any Pick-Up Contributions and any After-Tax Employee Contributions authorized under AA §6-6, unless elected otherwise under subsection (l) above. The exclusions inserted may not result in a specifically named individual or a finite group (such as employees hired before a certain date) being the only employee or employees participating under the plan in violation of the permanency requirements or Treas. Reg. §1.401-1(b)(2). It is permissible to limit participation under the plan to an employee or employees of a specifically named position or positions.]

SECTION 4 MINIMUM AGE AND SERVICE REQUIREMENTS

- 4-1 **ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of his/her Entry Date (as defined in AA §4-2 below).
- (a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.
- (1) There is no minimum service requirement for participation in the Plan.
- (2) ___ Year(s) of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
- (3) The completion of at least ___ Hours of Service during the first ___ months of employment (or the first ___ days of employment) or the completion of a Year of Service (as defined in AA §4-3), if earlier.
- (i) An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless if the Employee actually works for the entire period.
- (ii) An Employee who completes the required Hours of Service must also be employed continuously during the designated period of employment. See Section 2.03(a)(2) of the Plan for rules regarding the application of this subsection (ii).
- (4) The completion of ___ Hours of Service during an Eligibility Computation Period. *[Note: An Employee satisfies the service requirement immediately upon completion of the designated Hours of Service rather than at the end of the Eligibility Computation Period.]*
- (5) Full-time Employees are eligible to participate as set forth in subsection (i) below. Employees who are “part-time” Employees must complete a Year of Service (as defined in AA §4-3). For this purpose, a full-time Employee is any Employee not defined in subsection (ii) below.
- (i) Full-time Employees must complete the following minimum service requirements to participate in the Plan:
- (A) There is no minimum service requirement for participation in the Plan.
- (B) The completion of at least ___ Hours of Service during the first ___ months of employment or the completion of a Year of Service (as defined in AA §4-3), if earlier.
- (C) Under the Elapsed Time method as defined in AA §4-3(c) below.
- (D) Describe: _____

[*Note: Any conditions provided under this subsection (D) must be definitely determinable.*]

(ii) Part-time Employees must complete a Year of Service (as defined in AA §4-3).

(A) For this purpose, a part-time Employee is any Employee (including a temporary or seasonal Employee) whose normal work schedule is less than:

(I) ___ hours per week.

(II) ___ hours per month.

(III) ___ hours per year.

(B) Describe part-time Employees for this purpose: _____

[*Note: A part-time employee must be described as an individual who works less than a specified number of hours (no greater than 40) during a standard work week.*]

(6) Under the Elapsed Time method as defined in AA §4-3(c) below.

(7) Describe eligibility conditions: completion of two (2) months of benefit eligible service

(b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age to participate under the Plan.

(1) There is no minimum age for Plan eligibility.

(2) Age 21.

(3) Age 20½.

(4) Age 18.

(c) **Special eligibility rules.** The following special eligibility rules apply with respect to the Plan: _____

[*Note: The elections under this AA §4-1 apply to any Pick-Up Contributions and any After-Tax Employee Contributions authorized under AA §6-6, unless elected otherwise under subsection (c) above. Subsection (c) may be used to apply the eligibility conditions selected under this AA §4-1 separately with respect to different Employee groups or different contribution formulas under the Plan. Any special eligibility rules must be definitely determinable.*]

4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of his/her Entry Date. For this purpose, the Entry Date is the following date.

(a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).

(b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.

(c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.

(d) **Monthly.** The first day of each calendar month.

(e) **Payroll period.** The first day of the payroll period.

(f) **The first day of the Plan Year.**

(g) **Describe Entry Date:** _____

[*Note: Any Entry Date under this subsection (g) must be within the dates described under (a) – (f).*]

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

(h) **next following** satisfaction of the minimum age and service requirements.

(i) **coinciding with or next following** satisfaction of the minimum age and service requirements.

(j) **nearest** the satisfaction of the minimum age and service requirements.

(k) **preceding** the satisfaction of the minimum age and service requirements.

This section may be used to describe any special rules for determining Entry Dates under the Plan. For example, if different Entry Date provisions apply for different groups of Employees, such different Entry Date provisions may be described below.

(l) **Describe** any special rules that apply with respect to the Entry Dates under this AA §4-2: _____

[*Note: The elections under this AA §4-2 apply to any Pick-Up Contributions and any After-Tax Employee Contributions selected under AA §6-6, unless elected otherwise under subsection (l) above. Any special rules under subsection (l) must be definitely determinable.*]

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period. (See Section 1.57 of the Plan for the definition of Hours of Service.)
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years. (See Section 2.03(a)(3)(i) of the Plan.) If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years. (See Section 2.03(a)(3)(ii) of the Plan.)

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed, the default eligibility rules apply.**

- (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ Hours of Service during an Eligibility Computation Period.
- (b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years if the Employee does not earn a Year of Service during the first Eligibility Computation Period. (See Section 2.03(a)(3)(ii) of the Plan.)
- (c) **Elapsed Time method.** Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a ___ period of service to participate in the Plan. (See Section 2.03(a)(6) of the Plan.)

[*Note: Under the Elapsed Time method, service will be measured from the Employee's employment commencement date (or reemployment commencement date, if applicable) without regard to the Eligibility Computation Period designated in Section 2.03(a)(3) of the Plan.*]

- (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(5) of the Plan). The Equivalency Method will apply to:
- (1) All Employees.
- (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.
- Hours of Service for eligibility will be determined under the following Equivalency Method.
- (3) **Monthly.** 190 Hours of Service for each month worked.
- (4) **Weekly.** 45 Hours of Service for each week worked.
- (5) **Daily.** 10 Hours of Service for each day worked.
- (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.
- (7) **Describe Equivalency Method:** _____

- (e) **Special eligibility provisions:** _____

[*Note: The elections under this AA §4-3 apply to any Pick-Up Contributions and any After-Tax Employee Contributions selected under AA §6-6, unless elected otherwise under subsection (e) above. Any special rules under subsection (e) must be definitely determinable.*]

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate as of his/her Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees employed on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

- An Eligible Employee who is employed by the Employer on the following designated date will enter the Plan on the designated date without regard to minimum age and/or service requirements (as designated below):
- (a) the Effective Date of this Plan (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable).

- (b) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page).
- (c) _____ [insert date no earlier than the Effective Date of this Plan]

An Eligible Employee who is employed on the designated date will enter the Plan on the designated date without regard to the minimum age and service requirements under AA §4-1. If both minimum age and service conditions are not waived, select subsection (d) or (e) below to designate which condition is waived under this AA §4-4.

- (d) This AA §4-4 only applies to the minimum service condition.
- (e) This AA §4-4 only applies to the minimum age condition.

The provisions of this AA §4-4 apply to all Eligible Employees employed on the designated date unless designated otherwise under subsection (f) or (g) below.

- (f) The provisions of this AA §4-4 apply to the following group of Employees employed on the designated date: _____
- (g) Describe special rules: _____

[**Note:** An Employee who is employed as of the designated date described in this AA §4-4 will enter the Plan as of such date unless a different Entry Date is designated under subsection (g) above. Any special rules under subsection (g) above must be definitely determinable.]

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** Service with the following Predecessor Employers will be counted for purposes of determining eligibility, vesting and allocation conditions under this Plan, unless designated otherwise under subsection (a) or (b) below. (See Sections 2.06, 3.07(b) and 6.07 of the Plan.)

- (a) The Plan will count service with the following Predecessor Employers:

Name of Predecessor Employer	Eligibility	Vesting	Allocation Conditions
<input type="checkbox"/> (1) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- (b) Describe any special provisions applicable to Predecessor Employer service: _____

4-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for eligibility purposes, complete this AA §4-6. (See Section 2.07 of the Plan.)

- (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate.
- (b) If an Employee incurs at least _____ Breaks in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate. [Enter "0" if prior service will be disregarded for all rehired Employees.]
- (c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- (d) Describe: _____

SECTION 5 COMPENSATION DEFINITIONS

5-1 **TOTAL COMPENSATION.** Total Compensation is based on the definition set forth under this AA §5-1. See Section 1.94 of the Plan for a specific definition of the various types of Total Compensation.

- (a) W-2 Wages
- (b) Code §415 Compensation
- (c) Wages under Code §3401(a)

[**Note:** For purposes of determining Total Compensation, each definition includes Elective Deferrals, as defined in Section 1.36 of the Plan, pre-tax contributions to a Code §125 cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4).]

5-2 **POST-SEVERANCE COMPENSATION.** Total Compensation includes post-severance compensation, to the extent provided in Section 1.94(b) of the Plan.

- (a) **Exclusion of post-severance compensation from Total Compensation.** The following amounts paid after a Participant's severance of employment are excluded from Total Compensation.
- (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued.
- (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[Note: Plan Compensation (as defined in Section 1.75 of the Plan) includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-3(j) below or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-3(l) below.]

- (b) **Continuation payments for disabled Participants.** If this subsection (b) is not elected, Total Compensation does not include continuation payments for disabled Participants. If this subsection (b) is elected, Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.94(c) of the Plan.

5-3 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

- (a) No exclusions.
- (b) Elective Deferrals (as defined in Section 1.36 of the Plan), pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
- (c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
- (d) Compensation above \$___ is excluded.
- (e) Amounts received as a bonus are excluded.
- (f) Amounts received as commissions are excluded.
- (g) Overtime payments are excluded.
- (h) Amounts received for services performed for a non-signatory Related Employer are excluded. (See Section 2.02(c) of the Plan.)

[Note: If this subsection (h) is not elected, amounts received for services performed for a non-signatory Related Employer are INCLUDED in Plan Compensation.]

- (i) "Deemed §125 compensation" as defined in Section 1.94(d) of the Plan.
- (j) Amounts received after termination of employment are excluded. (See Section 1.94(b) of the Plan.)
- (k) Differential Pay (as defined in Section 1.94(e) of the Plan).
- (l) Describe adjustments to Plan Compensation: _____

[Note: Any modification under subsection (l) above must be definitely determinable and preclude Employer discretion. The elections under this AA §5-3 apply to any Pick-Up Contributions and any After-Tax Employee Contributions selected under AA §6-6, unless elected otherwise under subsection (l).]

5-4 **PERIOD FOR DETERMINING COMPENSATION.**

- (a) **Compensation Period.** Plan Compensation will be determined on the basis of the following period(s). *[Note: If a period other than the Plan Year applies, any reference to the Plan Year as it refers to Plan Compensation will be deemed to be a reference to the period designated under this AA §5-4.]*
- (1) The Plan Year.
- (2) The calendar year ending in the Plan Year.
- (3) The Employer's fiscal tax year ending in the Plan Year.
- (4) The 12-month period ending on _____ which ends during the Plan Year.

- (b) **Compensation while a Participant.** Unless provided otherwise under this subsection (b), in determining Plan Compensation, only compensation earned while an individual is a Participant under the Plan will be taken into account. To count compensation for the entire Plan Year, including compensation earned while an individual is not a Participant, check below. (See Section 1.75(b) of the Plan.)
- All compensation earned during the Plan Year will be taken into account, including compensation earned while an individual is not a Participant.
- (c) **Few weeks rule.** The few weeks rule (as described in Section 5.02(c)(7)(i) of the Plan) will not apply unless designated otherwise under this subsection (c).
- Amounts earned but not paid during a Limitation Year solely because of the timing of pay periods and pay dates shall be included in Total Compensation for the Limitation Year, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated Employees, and no amounts are included in more than one Limitation Year.

SECTION 6

EMPLOYER AND EMPLOYEE CONTRIBUTIONS

- 6-1 **EMPLOYER / EMPLOYEE CONTRIBUTIONS.** The Employer will contribute to the Plan each Plan Year the amount determined under the Employer Contribution formula designated in AA §6-2 below. If so elected under AA §6-6, the Employer also may authorize Employees to make After-Tax Employee Contributions and/or Employer Pick-Up Contributions under the Plan.
- 6-2 **EMPLOYER CONTRIBUTION FORMULA.** For the period designated in AA §6-4 below, the Employer will make the following Employer Contributions on behalf of Participants who satisfy the allocation conditions designated in AA §6-5 below.
- (a) **Fixed contribution.**
- (1) **Fixed percentage.** 4 ___ % of each Participant's Plan Compensation.
- (2) **Fixed dollar.** \$ ___ for each Participant.
- (b) **Contributions under Collective Bargaining Agreement, employment contract or equivalent arrangement.** The Employer will make an Employer Contribution based on a Collective Bargaining Agreement, employment agreement or equivalent arrangement as follows: _____
- [Note: Insert the appropriate contribution formula (and allocation formula, if applicable) from the Collective Bargaining Agreement, employment agreement or equivalent arrangement. The formula must be definitely determinable as required under Treas. Reg. §1.401-1.]*
- (c) **Permitted disparity contribution.**
- (1) **Individual method.** The Employer will contribute:
- (i) ___% of each Participant's Plan Compensation plus
- (ii) ___% of each Participant's Excess Compensation.
- [Note: The percentage of Excess Compensation may not exceed the Maximum Disparity Rate. See Section 3.02(b)(2)(i)(C) of the Plan.]*
- (2) **Group method.** The Employer will contribute ___% (not more than 25%) of total Plan Compensation of all Participants who satisfy the allocation conditions under AA §6-5 below. The Employer Contribution will be allocated under the two-step method (as defined in Section 3.02(a)(1)(i)(B)(I) of the Plan).
- (3) **Modification of permitted disparity rules.**
- (i) **Integration Level.** For purposes of determining the permitted disparity contribution under subsection (1) or (2) above, instead of the Taxable Wage Base (as defined in Section 1.92 of the Plan), the Integration Level is:
- (A) ___% of the Taxable Wage Base, increased (but not above the Taxable Wage Base) to the next higher:
- | | |
|--------------------------------------|---------------------------------------|
| <input type="checkbox"/> (I) N/A | <input type="checkbox"/> (II) \$1 |
| <input type="checkbox"/> (III) \$100 | <input type="checkbox"/> (IV) \$1,000 |

(B) \$____ (not to exceed the Taxable Wage Base)

(C) 20% of the Taxable Wage Base

[Note: See Section 3.02(b)(2)(i)(C) of the Plan for rules regarding the Maximum Disparity Rate that may be used where an Integration Level other than the Taxable Wage Base is selected.]

(d) **Contribution for designated Employee groups.** The Employer will make an Employer Contribution to the Participants in the following designated groups. The amount to be contributed with respect to a designated Employee group will be determined under subsection (2) below.

(1) **Designated Employee groups.** A separate Employer Contribution will be made to the following Employee groups:

[Note: The Employee groups designated above must be clearly defined in a manner that will not violate the definite allocation formula requirement of Treas. Reg. §1.401-1(b)(1)(i).]

(2) **Employer Contribution percentages.**

(3) **Special rules – More than one Employee group.** Unless designated otherwise under subsection (i), if a Participant is in more than one allocation group described in subsection (1) above during the Plan Year, the Participant will receive an Employer Contribution based on the Participant's status on the last day of the Plan Year. (See Section 3.02(b)(3) of the Plan.)

(i) **Determined separately for each Employee group.** If a Participant is in more than one allocation group during the Plan Year, the Participant's share of the Employer Contribution will be based on the Participant's status for the part of the year the Participant is in each allocation group.

(ii) **Describe:** _____

[Note: The language under this subsection (ii) may only describe the amount of the Employer Contribution a Participant will receive when such Participant is in more than one allocation group. Any language under this subsection (ii) must be definitely determinable.]

(e) **Age-based contribution.** The Employer will contribute ____% of each Participant's adjusted Plan Compensation. For this purpose, a Participant's adjusted Plan Compensation is determined by multiplying the Participant's Plan Compensation by an Actuarial Factor (as described in Section 1.03 of the Plan).

A Participant's Actuarial Factor is determined based on a specified interest rate and mortality table. Unless designated otherwise under subsection (1) or (2) below, the Plan will use an applicable interest rate of 8.5% and a UP-1984 mortality table.

(1) **Applicable interest rate.** Instead of 8.5%, the Plan will use an interest rate of ____% (must be between 7.5% and 8.5%) in determining a Participant's Actuarial Factor.

(2) **Applicable mortality table.** Instead of the UP-1984 mortality table, the Plan will use the following mortality table in determining a Participant's Actuarial Factor: _____

(3) **Describe special rules applicable to age-based allocation:** _____

[Note: See Appendix A of the Plan for sample Actuarial Factors based on an 8.5% applicable interest rate and the UP-1984 mortality table. If an interest rate or mortality table other than 8.5% or UP-1984 is selected, appropriate Actuarial Factors must be calculated. Subsection (3) must provide for a definitely determinable allocation method.]

(f) **Service-based contribution.** The Employer will make the following contribution based on units of service designated under subsections (3) – (5) below.

(1) **Fixed percentage.** ____% of Plan Compensation paid for each period of service designated below.

(2) **Fixed dollar.** \$____ for each period of service designated below.

The service-based contribution will be based on the following periods of service:

(3) Each Hour of Service

(4) Each week of employment

(5) Describe period: _____

The service-based contribution is subject to the following rules.

(6) Describe any special provisions that apply to service-based contribution: _____

[*Note: Subsection (6) may only be used to describe a definite allocation formula. Any period described in subsection (5) must apply uniformly to all Participants.*]

6-3 **SPECIAL RULES.** No special rules apply with respect to Employer Contributions under the Plan, except to the extent designated under this AA §6-3.

(a) **Limit on Employer Contributions.** The Employer Contribution elected in AA §6-2 may not exceed:

(1) ____% of Plan Compensation

(2) \$____

(b) **Offset of Employer Contribution.**

(1) A Participant's contribution of Employer Contributions under AA §6-2 above is reduced by contributions under _____ [*insert name of plan(s)*]. (See Section 3.02(b) of the Plan.)

(2) In applying the offset under this subsection (b), the following rules apply: _____

(c) **Special rules:** _____

[*Note: Any special rules under this subsection (c) must be definitely determinable.*]

6-4 **PERIOD FOR DETERMINING EMPLOYER/EMPLOYEE CONTRIBUTION.** Unless designated otherwise in this AA §6-4, in determining the amount of the Employer/Employee Contributions to be allocated under this AA §6, the contribution will be based on Plan Compensation earned during the Plan Year.

Alternatively, instead of the Plan Year, the Employer/Employee Contributions will be determined based on Plan Compensation earned during the following period: [*Note: The Plan Year must be used if the permitted disparity contribution formula is selected under AA §6-2(c) above.*]

(a) Plan Year quarter

(b) calendar month

(c) payroll period

(d) Other: _____

[*Note: Although Employer Contributions are determined on the basis of Plan Compensation earned during the period designated under this AA §6-4, this does not require the Employer to actually make contributions on the basis of such period. Employer Contributions may be contributed to Participants at any time within the contribution period permitted under Treas. Reg. §1.415-6, regardless of the period selected under this AA §6-4.*]

6-5 **ALLOCATION CONDITIONS.** A Participant must satisfy any allocation conditions designated under this AA §6-5 to receive an allocation of Employer Contributions under the Plan. [*Note: No allocation conditions apply to After-Tax Employee Contributions or Employer Pick-Up Contributions under AA §6-6.*]

(a) **No allocation conditions** apply with respect to Employer Contributions under the Plan.

(b) **Employment condition.** An Employee must be employed with the Employer on the last day of the Plan Year.

(c) **Minimum service condition.** An Employee must be credited with at least:

(1) 1,000 Hours of Service during the Plan Year.

(i) Hours of Service are determined using actual Hours of Service.

(ii) Hours of Service are determined using the following Equivalency Method (as defined under Section 2.03(a)(5) of the Plan):

(A) Monthly

(B) Weekly

(C) Daily

(D) Semi-monthly

(E) Describe: _____

[*Note: Any description under this subsection (E) must be definitely determinable.*]

- (2) ___ consecutive days of employment with the Employer during the Plan Year.
- (d) **Exceptions.**
- (1) The above allocation condition(s) will **not** apply if the Employee, during the Plan Year:
- (i) dies.
- (ii) terminates employment due to becoming Disabled.
- (iii) becomes Disabled.
- (iv) terminates employment after attaining Normal Retirement Age.
[*Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. The Employer may modify this rule in subsection (e) below.*]
- (v) terminates employment after attaining Early Retirement Age.
[*Note: This waiver of allocation conditions applies only once during the Participant's employment with the Employer. The Employer may modify this rule in subsection (e) below.*]
- (vi) is on an authorized leave of absence from the Employer.
- (2) The exceptions selected under subsection (1) above will apply even if an Employee has not terminated employment at the time of the selected event(s).
- (3) The exceptions selected under subsection (1) above do not apply to:
- (i) an employment condition under subsection (b) above.
- (ii) a minimum service condition under subsection (c) above.
- (e) **Describe** any special rules governing the allocation conditions under the Plan: _____
[*Note: Any special rules under this subsection (e) must be definitely determinable.*]

6-6 AFTER-TAX EMPLOYEE CONTRIBUTIONS AND EMPLOYER PICK-UP CONTRIBUTIONS.

- (a) **Voluntary After-Tax Employee Contributions.** If permitted under this subsection (a), a Participant may contribute any amount as Voluntary After-Tax Employee Contributions up to the Code §415 Limitation (as defined in Section 5.02 of the Plan), except as limited under this subsection (a).
- (1) **Limits on Voluntary After-Tax Employee Contributions.** If this subsection (1) is checked, the following limits apply to Voluntary After-Tax Employee Contributions:
- (i) **Maximum limit.** A Participant may make Voluntary After-Tax Employee Contributions up to
- (A) _____% of Plan Compensation
- (B) \$_____
- for the following period:
- (C) the entire Plan Year.
- (D) the portion of the Plan Year during which the Employee is eligible to participate.
- (E) each separate payroll period during which the Employee is eligible to participate.
- (ii) **Minimum limit.** The amount of Voluntary After-Tax Employee Contributions a Participant may make for any payroll period may not be less than:
- (A) _____% of Plan Compensation.
- (B) \$_____.
- (2) **Change or revocation of Voluntary After-Tax Employee Contributions.** In addition to the Participant's Entry Date under the Plan, a Participant's election to change or resume an after-tax election will be effective as set forth under the After-Tax Employee Contributions election form or other written procedures adopted by the Plan Administrator. A Participant must be permitted to change or revoke an after-tax election at least once per year. Unless the After-Tax Contributions election form or other written procedures adopted by the Plan Administrator provide otherwise, a Participant may revoke an after-tax election (on a prospective basis) at any

time. Unless designated otherwise in a Participants after-tax election form, a Participant's affirmative election to make an After-Tax Employee Contribution will cease upon termination of employment and the Participant will need to make a new election upon rehire.

- (3) **Other limits or special rules relating to Voluntary After-Tax Employee Contributions:** _____

[*Note: Any limits described under this subsection (3) must be consistent with the provisions of Section 3.04 of the Plan.*]

- (b) **Mandatory After-Tax Employee Contributions.** If this subsection (b) is checked, Employees are required to make Mandatory After-Tax Employee Contributions in order to participate under the Plan.

- (1) **Amount of Mandatory After-Tax Employee Contributions.** Employees are required to contribute the following amount in order to participate in the Plan:

(i) _____% of each Employee's Total Compensation.

(ii) \$_____ for each Participant.

(iii) Describe rate or amount: _____

- (2) **Special rules** applicable to Mandatory After-Tax Employee Contributions: _____

- (c) **Employer Pick-Up Contributions.** Each Participant will be required to make a Pick-up Contribution to the Plan equal to the amount specified under this subsection (c). Any amounts contributed pursuant to this subsection (c) will be picked up by the Employer pursuant to Code §414(h) and will be treated as Employer Contributions under the Plan. Such contributions and earnings thereon will be 100% vested at all times. (See Section 3.03 of the Plan.)

- (1) The following amounts will be contributed to the Plan as an Employer Pick-Up Contribution:

(i) _____% of Plan Compensation.

(ii) \$_____ per pay period.

(iii) Any amount from _____% to _____% of Plan Compensation, as designated by the Employee.

[*Note: This subsection (iii) may only be selected if the Employee designates the amount as a one-time irrevocable election.*]

- (2) Elect this subsection (2) if an Employee may make a one-time irrevocable election not to make Employer Pick-Up Contributions under the Plan.

- (3) **Special rules** applicable to Employer Pick-Up Contributions: _____

[*Note: Any Employer Pick-Up Contributions made under this subsection (c) must satisfy the requirements of Section 3.03 of the Plan. See AA §11-4 for an Employee's ability to elect out of making Employer Pick-Up Contributions.*]

SECTION 7 RETIREMENT AGES

7-1 **NORMAL RETIREMENT AGE.** Normal Retirement Age under the Plan is:

(a) Age ____ (not to exceed 65).

(b) The later of age 65 (not to exceed 65) or the 5th (not to exceed 5th) anniversary of:

(1) the Employee's participation commencement date (as defined in Section 1.68 of the Plan).

(2) the Employee's employment commencement date.

(c) Describe Normal Retirement Age: _____

[*Note: The Normal Retirement Age must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. A Normal Retirement Age of at least age 62 is deemed to be reasonable while a Normal Retirement Age under age 55 is presumed not to satisfy this requirement unless facts and circumstances show otherwise. Whether a Normal Retirement Age between 55 and 62 satisfies this requirement depends on the facts and circumstances. A Governmental Plan must comply with the final Normal Retirement Age regulations under Treas. Reg. §1.401(a)-1, as amended, effective for Annuity Starting Dates occurring in Plan Years beginning on or after the later of the two dates described in IRS Notice 2012-29. The Employer may use AA §7-1(c), for example, to describe a reasonable Normal Retirement Age that is between age 55 and 62 that takes into account service as well as age.*]

7-2 **EARLY RETIREMENT AGE.** Unless designated otherwise under this AA §7-2, there is no Early Retirement Age under the Plan.

- (a) A Participant reaches Early Retirement Age if he/she is still employed after attainment of each of the following:
- (1) Attainment of age 59½
 - (2) The 3rd anniversary of the date the Employee commenced participation in the Plan, and/or
 - (3) The completion of Years of Service, determined as follows:
 - (i) Same as for eligibility.
 - (ii) Same as for vesting.
- (b) Describe. _____

SECTION 8
VESTING AND FORFEITURES

8-1 **VESTING OF EMPLOYER CONTRIBUTIONS.** The Employer Contributions authorized under AA §6-2 will vest in accordance with the vesting schedule designated under AA §8-2.

8-2 **VESTING SCHEDULE.** The vesting schedule under the Plan is as follows. See Section 6.02 of the Plan for a description of the various vesting schedules under this AA §8-2.

(a) **Vesting schedule:**

- (1) Full and immediate vesting
- (2) Three-year cliff vesting schedule
- (3) Six-year graded vesting schedule
- (4) Modified vesting schedule
 - 0 % immediately on Plan participation
 - 20 % after 1 Year of Service
 - 40 % after 2 Years of Service
 - 60 % after 3 Years of Service
 - 80 % after 4 Years of Service
 - 100 % after 5 Years of Service
 - 100 % after 6 Years of Service
 - 100 % after 7 Years of Service
 - 100 % after 8 Years of Service
 - 100 % after 9 Years of Service
 - 100% after 10 Years of Service

- (5) Other vesting schedule: _____

[Note: If a modified vesting schedule is selected under this subsection (a), the vested schedule must satisfy the pre-ERISA Code vesting requirements.]

- (b) **Special provisions applicable to vesting schedule:** _____

[Note: This subsection (b) may be used to apply a different vesting schedule for different contribution formulas or different Employee groups under the Plan. Any special provision must satisfy the pre-ERISA Code vesting requirements.]

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, all service with the Employer counts for vesting purposes, unless designated otherwise under this AA §8-3.

- (a) Service before the original Effective Date of this Plan (or a Predecessor Plan) is excluded.
- (b) Service completed before the Employee's ___ birthday is excluded.
- (c) Describe vesting service exclusions: _____

[*Note: See Section 6.07 of the Plan and AA §4-5 for rules regarding the crediting of service with Predecessor Employers for purposes of vesting under the Plan.*]

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- (a) dies
- (b) terminates employment due to becoming Disabled
- (c) becomes Disabled
- (d) reaches Early Retirement Age
- (e) Not applicable. No increase in vesting applies.

8-5 **DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. [*Note: No election should be made under this AA §8-5 if full and immediate vesting is selected under AA §8-2.*]

- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period. (See Section 1.57 of the Plan for the definition of Hours of Service.)
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

- (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of ___ Hours of Service during a Vesting Computation Period.
- (b) **Vesting Computation Period.** Instead of the Plan Year, the Vesting Computation Period is:
- (1) The 12-month period beginning with the Employee's Employment Commencement Date and, for subsequent Vesting Computation Periods, the 12-month period beginning with the anniversary of the Employee's Employment Commencement Date.
- (2) Describe: _____

[*Note: Any Vesting Computation Period described in this subsection (2) must be a 12-consecutive month period and must apply uniformly to all Participants.*]

- (c) **Elapsed Time Method.** Instead of determining vesting service based on actual Hours of Service, vesting service will be determined under the Elapsed Time Method. If this subsection (c) is checked, service will be measured from the Employee's Employment Commencement Date (or Reemployment Commencement Date, if applicable) without regard to the Vesting Computation Period designated in Section 6.05 of the Plan. (See Section 6.04(b) of the Plan.)
- (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 6.04(a)(2) of the Plan). The Equivalency Method will apply to:

- (1) All Employees.
- (2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked.

Hours of Service for vesting will be determined under the following Equivalency Method.

- (3) **Monthly.** 190 Hours of Service for each month worked.
- (4) **Weekly.** 45 Hours of Service for each week worked.
- (5) **Daily.** 10 Hours of Service for each day worked.
- (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.

(7) Describe Equivalency Method: _____

[*Note: Any description of an Equivalency Method under this subsection (7) must be definitely determinable.*]

(e) Special rules: _____

[*Note: Any special rules under this subsection (e) must be definitely determinable.*]

8-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for vesting purposes, complete this AA §8-6. (See Section 6.08 of the Plan.)

(a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining vesting under the Plan.

(b) If an Employee incurs at least _____ consecutive Breaks in Service, the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of determining vesting under the Plan. [*Enter "0" if prior service will be disregarded for all rehired Employees.*]

(c) The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.

(d) Describe any special rules for applying the vesting Break in Service rules: _____

[*Note: Any special rules under this subsection (d) must be definitely determinable.*]

8-7 **ALLOCATION OF FORFEITURES.**

The Employer may decide in its discretion how to treat forfeitures under the Plan. Alternatively, the Employer may designate under this AA §8-7 how forfeitures occurring during a Plan Year will be treated. (See Section 6.11 of the Plan.)

(a) N/A. All contributions are 100% vested. [*Do not complete the rest of this AA §8-7.*]

(b) Reallocated as additional Employer Contributions.

(c) Used to reduce Employer Contributions.

For purposes of subsection (b) or (c) above, forfeitures will be applied:

(d) for the Plan Year in which the forfeiture occurs.

(e) for the Plan Year following the Plan Year in which the forfeitures occur.

Prior to applying forfeitures under subsection (b) or (c) above.

(f) Forfeitures will be used to pay Plan expenses. (See Section 6.11(d) of the Plan.)

(g) Forfeitures will not be used to pay Plan expenses.

In determining the amount of forfeitures to be allocated under subsection (b) above, the same allocation conditions apply as under AA §6-5, unless designated otherwise below.

(h) Forfeitures are not subject any allocation conditions.

(i) Forfeitures are subject to a last day of employment allocation condition.

(j) Forfeitures are subject to a ____ Hours of Service minimum service requirement.

In determining the treatment of forfeitures under this AA §8-7, the following special rules apply:

(k) Describe: _____

8-8 **SPECIAL RULES REGARDING CASH-OUT DISTRIBUTIONS.**

(a) **Additional allocations.** If a terminated Participant receives a complete distribution of his/her vested Account Balance while still entitled to an additional allocation, the Cash-Out Distribution forfeiture provisions do not apply until the Participant receives a distribution of the additional amounts to be allocated. (See Section 6.10(a)(1) of the Plan.)

To modify the default Cash-Out Distribution forfeiture rules, complete this AA §8-8(a).

The Cash-Out Distribution forfeiture provisions will apply if a terminated Participant takes a complete distribution, regardless of any additional allocations during the Plan Year.

- (b) **Timing of forfeitures.** A Participant who receives a Cash-Out Distribution (as defined in Section 6.10(a) of the Plan) is treated as having an immediate forfeiture of his/her nonvested Account Balance.

To modify the forfeiture timing rules to delay the occurrence of a forfeiture upon a Cash-Out Distribution, complete this AA §8-8(b).

- A forfeiture will occur upon the completion of ____ consecutive Breaks in Service (as defined in Section 6.08 of the Plan).

- (c) **Repayment of Cash-Out Distribution.** Unless elected otherwise under this AA §8-8(c), if a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may repay to the Plan the amount received as a Cash-Out Distribution.

- If a Participant receives a Cash-Out Distribution that results in a forfeiture, and the Participant resumes employment covered under the Plan, such Participant may NOT repay to the Plan the amount received as a Cash-Out Distribution and the provisions of Section 6.10(a)(2) do not apply.

- 8-9 **SPECIAL RULE FOR FORFEITURE UPON DEATH OF A PARTICIPANT.** Unless elected below, no vested benefits are forfeited upon the death of a Participant.

To modify this default forfeiture rule, check to box below.

- The Plan will forfeit benefits (including vested benefits) upon the death of a Participant, if not precluded by law. In no event may the Plan forfeit any amounts attributable to After-Tax Employee Contributions under the Plan or if the Plan has commenced distributions prior to the Participant's death.

SECTION 9

DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

- 9-1 **AVAILABLE FORMS OF DISTRIBUTION.**

Lump sum distribution. A Participant may take a distribution of his/her entire vested Account Balance in a single lump sum upon termination of employment. In addition, the Plan Administrator may permit a Participant to take partial distributions or installment distributions solely to the extent necessary to satisfy the required minimum distribution rules under Section 8 of the Plan.

Additional distribution options. To provide for additional distribution options, check the applicable distribution forms under this AA §9-1.

- (a) **Installment distributions.** A Participant may take a distribution over a specified period not to exceed the life or life expectancy of the Participant (and a designated beneficiary).

- (b) **Partial lump sum.** A Participant may take a distribution of less than the entire vested Account Balance upon termination of employment.

- Minimum distribution amount. A Participant may not take a partial lump sum distribution of less than \$_____.

- (c) **Annuity distributions.** A Participant may elect to have the Plan Administrator use the Participant's vested Account Balance to purchase an annuity as described in Section 7.01 of the Plan.

- (d) **Describe distribution options:** _____

[Note: Any distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.]

- 9-2 **PARTICIPANT AND SPOUSAL CONSENT.**

- (a) **Involuntary Cash-Out Distribution.** A Participant who terminates employment with a vested Account Balance of \$5,000 or less will receive an Involuntary Cash-Out Distribution, unless elected otherwise under this AA §9-2. If a Participant's vested Account Balance exceeds \$5,000, the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-2. See Section 7.03 of the Plan for additional rules regarding the Participant consent requirements under the Plan.

- (1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.02(b) of the Plan for special rules upon Plan termination.)

- (2) **Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Account Balance is less than or equal to \$_____.

- (3) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 7.05 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000, unless elected otherwise under this subsection (3). If this subsection (3) is checked, the Automatic Rollover provisions apply to all Involuntary Cash-Out Distributions (including those below \$1,000).
- (4) **Distribution upon attainment of stated age.** Participant consent will not be required with respect to distributions made upon attainment of Normal Retirement Age (or age 62, if later), regardless of the value of the Participant's vested Account Balance.
- (5) **Treatment of Rollover Contributions.** Unless elected otherwise under this subsection (5), Rollover Contributions will be excluded in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and the Automatic Rollover provisions under Section 7.05 of the Plan. To include Rollover Contributions in determining whether a Participant's vested Account Balance exceeds the Involuntary Cash-Out threshold, check this subsection (5).
- (b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate beneficiary, unless designated otherwise under this subsection (b). See Section 9.02 of the Plan for rules regarding Spousal consent under the Plan.
- (1) **Distribution consent.** A Participant's Spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds \$_____.
- (2) **Beneficiary consent.** A Participant's Spouse must consent to naming someone other than the Spouse as beneficiary under the Plan.
- (c) **Describe** any special rules affecting Participant or Spousal consent: _____
[Note: Any special rules under this subsection (c) must be definitely determinable.]

9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.

- (a) **Distribution of vested Account Balances exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance exceeding \$5,000 may receive a distribution of his/her vested Account Balance in any form permitted under AA §9-1 within a reasonable period following:
- (1) the date the Participant terminates employment.
- (2) the last day of the Plan Year during which the Participant terminates employment.
- (3) the first Valuation Date following the Participant's termination of employment.
- (4) the end of the calendar quarter following the date the Participant terminates employment.
- (5) attainment of Normal Retirement Age, death or becoming Disabled.
- (6) Describe: _____
[Note: Any special rules under this subsection (6) must be definitely determinable.]
- (b) **Distribution of vested Account Balances not exceeding \$5,000.** A Participant who terminates employment with a vested Account Balance that does not exceed \$5,000 will receive a **lump sum** distribution of his/her vested Account Balance within a reasonable period following:
- (1) the date the Participant terminates employment.
- (2) the last day of the Plan Year during which the Participant terminates employment.
- (3) the first Valuation Date following the Participant's termination of employment.
- (4) the end of the calendar quarter following the date the Participant terminates employment.
- (5) Describe: _____
[Note: Any special rules under this subsection (5) must be definitely determinable.]
- (c) **Alternate Cash-Out distribution threshold.** Instead of a vested Account Balance Cash-Out threshold of \$5,000, for purposes of applying the Cash-Out distribution provisions under this AA §9-3, the threshold for distributions upon termination of employment will be based on a vested Account Balance of \$_____.

- (d) **Describe additional distribution options:** _____
[Note: Any additional distribution option described in this subsection (d) may not be subject to the discretion of the Employer or Plan Administrator.]

9-4 **DISTRIBUTION UPON DISABILITY.** Unless designated otherwise under this AA §9-4, a Participant who terminates employment on account of becoming Disabled may receive a distribution of his/her vested Account Balance in the same manner as a regular distribution upon termination.

- (a) **Immediate distribution upon termination of employment.** Distribution will be made as soon as reasonable following the date the Participant terminates employment on account of becoming Disabled.
- (b) **Following year distribution upon termination of employment.** Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates on account of becoming Disabled.
- (c) **Describe:** _____

[Note: Any distribution event described in this subsection (c) will apply uniformly to all Participants under the Plan and may not be subject to the discretion of the Employer or Plan Administrator.]

9-5 **DETERMINATION OF BENEFICIARY.**

- (a) **Default beneficiaries.** Under Section 7.07(c) of the Plan, to the extent a Beneficiary has not been named by the Participant (subject to the spousal consent rules) and is not designated under the terms of the Investment Arrangement(s) to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving Spouse (if the Participant was married at the time of death) who shall be considered the designated Beneficiary. If the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), as designated Beneficiaries, in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate.

- If this subsection (a) is checked, the default beneficiaries under Section 7.07(c) of the Plan are modified as follows:

- (1) The Plan adopts the default beneficiary rules under Section 7.07(c) of the Plan, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.
- (2) Describe other modifications to the default beneficiaries under Section 7.07(c) of the Plan: _____

[Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.]

- (b) **One-year marriage rule.** For purposes of determining whether an individual is considered the surviving Spouse of the Participant, the determination is based on the marital status as of the date of the Participant's death, unless designated otherwise under this subsection (b).

- If this subsection (b) is checked, in order to be considered the surviving Spouse, the Participant and surviving Spouse must have been married for the entire one-year period ending on the date of the Participant's death. If the Participant and surviving Spouse are not married for at least one year as of the date of the Participant's death, the Spouse will not be treated as the surviving Spouse for purposes of applying the distribution provisions of the Plan. (See Section 9.03 of the Plan.)

- (c) **Divorce of Spouse.** Unless elected otherwise under this subsection (c), if a Participant designates his/her Spouse as Beneficiary and subsequent to such Beneficiary designation, the Participant and Spouse are divorced, the designation of the Spouse as Beneficiary under the Plan is automatically rescinded as set forth under Section 7.07(c)(6) of the Plan.

- If this subsection (c) is checked, a Beneficiary designation will not be rescinded upon divorce of the Participant and Spouse.

[Note: Section 7.07(c)(6) of the Plan and this subsection (c) will be subject to the provisions of a Beneficiary designation entered into by the Participant. Thus, if a Beneficiary designation specifically overrides the election under this subsection (c), the provisions of the Beneficiary designation will control. See Section 7.07(c)(6) of the Plan.]

SECTION 10

IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of his/her vested Account Balance, to the extent designated, upon the occurrence of the event(s) selected under this AA §10-1.

- (a) No in-service distributions are permitted.
- (b) Attainment of age 62 [may not be earlier than age 62].
- (c) Attainment of Normal Retirement Age.

10-2 **APPLICATION TO OTHER CONTRIBUTION SOURCES.** If the Plan allows for Rollover Contributions under AA §C-2 or After-Tax Employee Contributions under AA §6-6, unless elected otherwise under this AA §10-2, a Participant may take an in-service distribution from his/her Rollover Account and After-Tax Employee Contribution Account at any time. Employer Pick-Up Contributions will not be eligible for in-service distribution.

Alternatively, if this AA §10-2 is completed, the following in-service distribution provisions apply for Rollover Contributions, After-Tax Employee Contributions and/or Employer Pick-Up Contributions:

Rollover	After-Tax	Pick-Up	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) No in-service distributions are permitted.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Attainment of age ____ (Not greater than age 70½).
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(c) Attainment of Normal Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(d) Attainment of Early Retirement Age.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(e) Describe: _____

10-3 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-3.

- (a) In-service distributions will only be permitted if the Participant is 100% vested in the amounts being withdrawn.
- (b) A Participant may take no more than 2 in-service distribution(s) in a Plan Year.
- (c) A Participant may not take an in-service distribution of less than \$1,000.
- (d) A Participant may not take an in-service distribution of more than \$ ____.
- (e) Other distribution rules: _____

10-4 **REQUIRED MINIMUM DISTRIBUTIONS.**

- (a) **Required distributions after death.** If a Participant dies before distributions begin and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule (as described in Section 8.06(a) of the Plan) or the life expectancy method described under Sections 8.02 of the Plan apply. See Section 8.06(b) of the Plan for rules regarding the timing of an election authorized under this AA §10-4.

Alternatively, if selected under this subsection (a), any death distributions to a Designated Beneficiary will be made only under either the 5-year rule or the life expectancy method, as elected below:

- (1) The five-year rule under Section 8.06(a) of the Plan applies (instead of the life expectancy method). Thus, the entire death benefit must be distributed by the end of the fifth year following the year of the Participant's death. Death distributions to a Designated Beneficiary may not be made under the life expectancy method.
- (2) The life expectancy method under Sections 8.02 and 8.04 of the Plan (and not the 5-year rule).
- (b) **Describe any special rules applicable to required minimum distributions:** _____

[*Note: Any special rule under this subsection (b) must satisfy the requirements of Code §401(a)(9). This subsection (b) may be used to override the default provision under Section 8.06(b) of the Plan. For example, the Employer may designate the life expectancy rules as the default rather than the five-year rule when a Participant or Beneficiary fails to make an election.*]

SECTION 11
MISCELLANEOUS PROVISIONS

11-1 **PLAN VALUATION.** The Plan is valued **annually**, as of the last day of the Plan Year.

(a) **Additional valuation dates.** In addition, the Plan will be valued on the following dates:

(1) **Daily.** The Plan is valued at the end of each business day during which the New York Stock Exchange is open.

(2) **Monthly.** The Plan is valued at the end of each month of the Plan Year.

(3) **Quarterly.** The Plan is valued at the end of each Plan Year quarter.

(4) **Describe:** _____

[Note: The Employer may elect operationally to perform interim valuations, regardless of any selection in this subsection (a).]

(b) **Special rules.** The following special rules apply in determining the amount of income or loss allocated to Participants' Accounts: _____

11-2 **SPECIAL RULES FOR APPLYING THE CODE §415 LIMITATION.** The provisions under Section 5.02 of the Plan apply for purposes of determining the Code §415 Limitation.

Complete this AA §11-2 to override the default provisions that apply in determining the Code §415 Limitation under Section 5.02 of the Plan.

(a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending _____.

[Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year.]

(b) **Imputed compensation.** For purposes of applying the Code §415 Limitation, Total Compensation includes imputed compensation for a Participant who terminates employment on account of becoming disabled as described under Section 5.02(c)(7)(ii) of the Plan.

(c) **Special rules:** _____

[Note: Any special rules under this subsection (c) must be consistent with the requirements of Code §415.]

11-3 **MILITARY SERVICE PROVISIONS -- BENEFIT ACCRUALS.** The benefit accrual provisions under Section 15.04 of the Plan do not apply. To apply the benefit accrual provisions under Section 15.04 of the Plan, check the box below.

Eligibility for Plan benefits. Check this box if the Plan will provide the benefits described in Section 15.04 of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

11-4 **ELECTION NOT TO PARTICIPATE. (See Section 2.08 of the Plan.)** All Participants share in any allocation under this Plan and no Employee may waive out of Plan participation.

To allow Employees to make a one-time irrevocable waiver, check below.

An Employee may make a one-time irrevocable election not to participate under the Plan.

11-5 **TREATMENT OF CERTAIN BENEFITS.** The protected benefits rules under Code §411(d)(6) do not apply to the Plan. However, the Employer may describe below (or in a separate addendum attached to this Adoption Agreement) the treatment of certain benefits following events such as plan merger or consolidation, transfer of assets or similar events.

Describe treatment of benefits: _____

[Note: If the benefit described here in the Plan or a plan being merged into the Plan is not either (i) available as a provision through the Pre-Approved Plan or (ii) the subject of a prior determination, advisory, or opinion letter, the Employer cannot rely on the Pre-Approved Plan Provider's opinion letter for qualification with respect to such benefit. If the benefit described here in the Plan or a plan being merged into the Plan is not permitted in a pre-approved plan, as described in Section 6.03 of Revenue Procedure 2017-41, such provision must be discontinued no later than the date the Employer adopts this Pre-Approved Plan or, in the case of a merger, the merger date.]

11-6 **SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.07 of the Plan apply.

The following special rules apply with respect to Multiple Employer Plans: _____

[Note: Any special rules under this AA §11-6 must satisfy the nondiscrimination requirements under Code §401(a)(4) and must satisfy the rules applicable to Multiple Employer Plans under Code §413(c).]

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APPENDIX A
SPECIAL EFFECTIVE DATES

[Note: This Appendix A may be used to memorialize prior Plan provisions that pertain to sources that no longer accept new contributions under the Plan.]

- A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:

- A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:

- A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:

- A-4 **Employer Contributions.** The Employer Contribution provisions under AA §6 are effective as follows:

- A-5 **After-Tax Employee and Pick-Up Contributions.** The provisions of the Plan addressing Employee After-Tax Contributions and Pick-Up Contribution provisions under AA §6-6 of the Plan are effective as follows:

- A-6 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:

- A-7 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:

- A-8 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:

- A-9 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:

- A-10 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:

- A-11 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.03 of the Plan apply as follows:

- A-12 **Other special effective dates:**

- A-13 **Special effective dates for restated pre-approved plans:** Use this A-13 to memorialize plan operational changes that have occurred after the general effective date of the plan and the actual plan restatement adoption date. Adopting employers may use the above Special Effective Date options (A-1 through A-12) to memorialize these changes or they may use this A-13. If the adopting employer uses this A-13, the changes will be part of the Plan, but will not be reflected in the SPD or plan summary:

**APPENDIX B
LOAN POLICY**

Use this Appendix B to identify elections dealing with the administration of Participant loans. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to this Appendix B, or any modifications to a separate loan policy describing the loan provisions selected under the Plan, will not affect an Employer's reliance on the IRS Favorable Letter. All loans are subject to any internal limitations imposed by the Investment Arrangement or the service provider or platform.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- (a) Yes
 (b) No

B-2 **LOAN PROCEDURES.**

- (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.
 (b) Loans will be provided under a separate written loan policy.

[Note: If this subsection (b) is checked, do not complete the rest of this Appendix B.]

B-3 **AVAILABILITY OF LOANS.** Participant loans are available to all active Participants and Beneficiaries. Participant loans are not available to a former Employee or Beneficiary (including an Alternate Payee under a QDRO). To override this default provision, check subsections (a), (b) and/or (c) below:

- (a) A former Employee or Beneficiary (including an Alternate Payee) who has a vested Account Balance may request a loan from the Plan.
 (b) A "limited participant" as defined in Section 3.05 of the Plan may not request a loan from the Plan.
 (c) An officer or director of the Employer, as defined for purposes of the Sarbanes-Oxley Act, may **not** request a loan from the Plan.
 (d) Describe limitations on receiving loans under the Plan: _____

[Note: Any limitation under subsection (d) must be definitely determinable and not provide any Employer discretion.]

B-4 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed 50% of the Participant's vested Account Balance. To override the default loan policy to allow loans up to \$10,000, even if greater than 50% of the Participant's vested Account Balance, check this AA §B-4.

- A Participant may take a loan equal to the greater of \$10,000 or 50% of the Participant's vested Account Balance.

[Note: If this AA §B-4 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]

B-5 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete subsection (a) or (b) below.

- (a) A Participant may have ___ loans outstanding at any time.
 (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-6 **LOAN AMOUNT.** The default loan policy under Section 13.04 of the Plan provides that a Participant may not receive a loan of less than \$1,000. To modify the minimum loan amount or to add a maximum loan amount, complete this AA §B-6.

- (a) There is no minimum loan amount.
 (b) The minimum loan amount is \$_____
 (c) The maximum loan amount is \$_____.

- B-7 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-7.
- (a) The prime interest rate plus ____ percentage point(s).
- (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.
- (b) Describe: _____
- [*Note: Any interest rate described in this AA §B-7 must be reasonable and must apply uniformly to all Participants.*]
- B-8 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans to hardship events, check this AA §B-8.
- (a) A Participant may only receive a Participant loan upon the demonstration of a hardship event, as described in Section 7.10(e)(1)(i) of the Plan.
- (b) A Participant may only receive a Participant loan under the following circumstances: _____
- B-9 **APPLICATION OF LOAN LIMITS.** If Participant loans are not available from all contribution sources, the limitations under Code §72(p) and the adequate security requirements of the Department of Labor regulations will be applied by taking into account the Participant's entire Account Balance. To override this provision, complete this AA §B-9.
- The loan limits and adequate security requirements will be applied by taking into account only those contribution Accounts which are available for Participant loans.
- B-10 **CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-10.
- (a) The cure period for determining when a Participant loan is treated as in default will be _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed.
- (b) The cure period for determining when a Participant loan is treated as in default will be the greater of _____ days (cannot exceed 90) following the end of the month in which the loan payment is missed or the last day of the second calendar quarter following the calendar quarter in which the missed payment was due.
- (c) The cure period for determining when a loan is treated as in default will be _____ days (cannot exceed 90) following the first missed loan payment.
- B-11 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant's primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years. To override this default provision, complete this AA §B-11.
- (a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.
- (b) The loan repayment period for the purchase of a principal residence may not exceed _____ years (may not exceed 30).
- (c) Loans for the purchase of a Participant's primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans.
- B-12 **TERMINATION OF EMPLOYMENT.** Section 13.10(a) of the Plan provides that a Participant loan becomes due and payable in full upon the Participant's termination of employment. To override this default provision, complete this AA §B-12.
- A Participant loan will not become due and payable in full upon the Participant's termination of employment.
- B-13 **DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the Plan provides that upon termination of employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-13.
- A Participant may **not** request the Direct Rollover of the loan note upon termination of employment.
- B-14 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a non-discriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-14.

- (a) A Participant may **not** renegotiate the terms of a loan.
- (b) The following special provisions apply with respect to renegotiated loans: _____

B-15 MODIFICATIONS TO DEFAULT LOAN PROVISIONS.

- The following special rules will apply with respect to Participant loans under the Plan: _____

[Note: Any provision under this AA §B-15 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.]

DRAFT

APPENDIX C
ADMINISTRATIVE ELECTIONS

Use this Appendix C to identify certain elections dealing with the administration of the Plan. These elections may be changed without amending this Adoption Agreement by substituting an updated Appendix C with new elections. The provisions selected under this Appendix C do not create qualification issues and any changes to the provisions under this Appendix C will not affect the Employer's reliance on the IRS Favorable Letter.

C-1 **DIRECTION OF INVESTMENTS.** Are Participants permitted to **direct investments**? (See Section 10.07 of the Plan.)

(a) No

(b) Yes, but subject to the following restrictions:

(1) No restrictions apply

(2) Only for Accounts that are 100% vested

(3) Specify Accounts: _____

(4) Describe any special rules that apply for purposes of direction of investments: _____

[Note: This subsection (4) may be used to describe special investment provisions for specific types of investments or for specific Accounts, such as the Rollover Contribution Account.]

C-2 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**? (See Section 3.05 of the Plan.)

(a) No

(b) Yes

(1) If this subsection (1) is checked, an Employee may make a Rollover Contribution to the Plan prior to becoming a Participant in the Plan.

(2) Check this subsection (2) if the Plan will accept Rollover Contributions from former Employees with an Account Balance under the Plan.

(3) Describe any special rules for accepting Rollover Contributions: _____

[Note: The Employer may designate in this subsection (3), or in separate written procedures, the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs). Any special rollover procedures will apply uniformly to all Participants under the Plan.]

C-3 **LIFE INSURANCE.** Are **life insurance** investments permitted? (See Section 10.08 of the Plan.)

(a) No

(b) Yes

C-4 **QDRO PROCEDURES.** Although the requirements of Code §414(p) do not apply to the Plan, the Employer may elect to apply the procedures set forth under Section 11.05 of the Plan (which are patterned after the rules under Code §414(p)) by electing subsection (a) below or may elect not to apply the procedures set forth under Section 11.05 of the Plan and instead, describe the Plan's procedures for addressing domestic relations orders below or in separate administrative procedures.

(a) The Employer elects to have the requirements of Section 11.05 of the Plan apply to its Plan.

(b) The requirements of Section 11.05 of the Plan do not apply to the Plan. The procedures for addressing the receipt of domestic relations orders are either set forth below or in separate administrative procedures.

Describe domestic relations procedures: _____

EMPLOYER SIGNATURE PAGE

PURPOSE OF EXECUTION. This Signature Page is being executed to effect:

- (a) The adoption of a **new plan**, effective ___ [insert Effective Date of Plan]. [**Note:** Date can be no earlier than the first day of the Plan Year in which the Plan is adopted.]
- (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
- (1) Effective date of restatement: 1-1-2022. [**Note:** Date can be no earlier than the first day of the Plan Year in which the restatement is adopted.]
- (2) Name of plan(s) being restated: Del Puerto Health Care District Pension Plan
- (3) The original effective date of the plan(s) being restated: 1-1-1989
- (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-41). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: _____
- (2) Name of plan being amended/restated: _____
- (3) The original effective date of the plan being amended/restated: _____
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: _____

PRE-APPROVED PLAN PROVIDER INFORMATION. The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

Name of Pre-Approved Plan Provider (or authorized representative): VALIC Retirement Services Company

Address: 2929 Allen Parkway L-10 Houston, TX 77019

Telephone number: 888-478-7020

IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN. A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. The Employer may rely on the Favorable IRS Letter issued by the Internal Revenue Service to the Pre-Approved Plan Provider as evidence that the Plan is qualified under Code §401(a), to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Favorable IRS Letter in certain circumstances or with respect to certain qualification requirements, which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41. In order to obtain reliance in such circumstances or with respect to such qualification requirements, the Employer may need to apply to the Internal Revenue Service for a determination letter.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that he/she has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #03. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

Del Puerto Health Care District
(Name of Employer)

(Name of authorized representative)

(Title)

(Signature)

(Date)

TRUST DECLARATION

This Trust Declaration may be used to identify and adopt the Trust associated with the Plan.

[Note: The Internal Revenue Service does not review the Trust Declaration, or the trust provisions associated with Pre-Approved Plans. Therefore, the provisions of the Trust Declaration, ASC Trust Agreement or any separate Trust agreement have not been approved by the IRS and the IRS opinion letter does not cover such Trust Agreement. The Provider, the Trustee and the adopting Employer should review the applicable Trust provisions, and any modifications thereto, with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

Name of Plan. Del Puerto Health Care District Pension Plan

Name of Employer. Del Puerto Health Care District

Effective date of Trust Agreement: 1-1-2022

(a) **The Trust terms are:**

(1) **Determined under the Trust provisions contained in the ASC Trust Agreement - Standard.**

[Note: Trustee must complete the Trustee Signature section under Section (b) below.]

(i) **Directed Trustee.** The Trustee may only invest Plan assets as directed by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

(ii) **Discretionary Trustee.** The Trustee has discretion to invest Plan assets, unless specifically directed otherwise by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

[Modification of ASC Trust Agreement Provisions. The Employer may amend the Trust provisions as provided under Section 1.18 of the ASC Trust Agreement. Plan provisions will override any conflicting provisions in the Trust Agreement, including any modification thereto. The Provider and the adopting Employer should review any modifications of the ASC Trust Agreement with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

(2) **Determined under a separate Trust agreement(s).** The Trust provisions are contained in a separate Trust Agreement that has been furnished to the Employer. Notwithstanding the terms of the Plan, the terms of the Trust Agreement shall control the rights and responsibilities of the Trustee with respect to the Trust and the assets held in such Trust.

Name of Trustee. _____

Title of Trust Agreement. _____

Address of Trustee. _____

[Note: In using a separate Trust Agreement, the Trustee may adopt such Trust Agreement by either completing the Trustee Signature section under Section (b) below or may execute the separate Trust Agreement. In either case, the information above – Name of Trustee, Title of Trust Agreement and Address of Trustee – must be completed.]

(3) **Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.** There is no Trust associated with the Plan because the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts.

[Note: No signature is required under this Trust Declaration if the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts. The Employer or Plan Administrator may enter into a separate agreement with the custodian or insurance company. Such separate agreement must be consistent with the terms of the Plan.]

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT**Board Meeting – February 28, 2022****Declaration of Ambulance as Surplus Property****Page 1 of 1**

Department: Chief Executive Office

CEO Concurrence: Yes

Consent Calendar: Yes

4/5 Vote Required: No

SUBJECT: Retire 2014 Chevrolet Express Type III Ambulance and Declare Surplus Equipment for Disposal (VIN #1GB6G5CIXE1161356).

STAFF REPORT: The 2014 is our costliest ambulance to maintain. The Board adopted a plan to dispose of ambulances at ten years of age, however the 2009 is more reliable to keep in deep reserve. The ambulance in question was built with a new 2014 chassis and reused 1999 ambulance box in September 2014 at an original cost of \$140,600. The chassis is under sized and at max allowed weight resulting in excessive break wear and frequent alignment issues. The unit has 207,000+ miles on it and is fully depreciated.

CONSIDERATIONS: We've averaged \$14,000 per year in repairs on this vehicle until 2020 when it was placed in deep reserve. A replacement Type III Ambulance was purchased in November 2021.

DISTRICT PRIORITY: Reliable, safe, cost-efficient equipment

POLICY ISSUE: The recommend for surplus equipment disposal is Public Surplus® (a public agency auction website)

FISCAL IMPACT: This fully depreciated equipment may have a residual value (~\$5,000-\$15,000) upon disposal.

STAFF IMPACT: None

CONTACT PERSON: Paul Willette

ATTACHMENTS: None

RECOMMENDED BOARD ACTION:**RESOLUTION NUMBER: 2022-04**

ROLL CALL REQUIRED: YES

RECOMMENDED MOTION: *I move the Board of Directors adopt Resolution Number 2022-04, declaring the 2014 Chevrolet Type III Ambulance retired and surplus equipment and authorize the Administrative Director / CEO to dispose of it in accordance with all applicable rules and regulations.*

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT**Board Meeting – February 28, 2022****Legal Service Contract Renewal****Page 1 of 1**

Department: Chief Executive Office

CEO Concurrence: Yes

Consent Calendar: No

4/5 Vote Required: No

SUBJECT: Contract with Cota Cole for General and Employment Legal Counsel Services.

STAFF REPORT: The Board retained Cota Cole in 2018 as General and Employment Legal Counsel. This is a renewal of the contract terms which are attached for review.

CONSIDERATIONS: David Ritchie, J. D. has worked with the District for several years on labor and other legal questions and the District has had positive experiences with their services.

DISTRICT PRIORITY: Reliable, responsible legal counsel

FISCAL IMPACT: Hourly rates as declared in contract

STAFFING IMPACT: None

CONTACT PERSON: Karin Hennings

ATTACHMENT(S): 2022 Cota Cole Contract

RECOMMENDED BOARD ACTION:

ROLL CALL REQUIRED: YES

RECOMMENDED MOTION: *I move the Board of Directors approve the contract with Cota Cole for General and Employment legal Counsel and authorize the CEO to execute said contract*



Derek P. Cole
dcole@colehuger.com

REPLY TO:
 ROSEVILLE ONTARIO

February 2, 2022

VIA ELECTRONIC MAIL
karin.hennings@dphhealth.org

Karin Hennings
Administrative Director/CEO
Del Puerto Health Care District
875 E Street
Patterson, CA 95363

Re: General Counsel Legal Services for the Del Puerto Health Care District

Dear Ms. Hennings:

ABOUT OUR REPRESENTATION

Cole Huber LLP is pleased to represent the Del Puerto Health Care District (DPHCD or District) in the above-referenced matter. Specifically, our representation will include providing General Counsel legal advice /collective bargaining services to the DPHCD. Our other Special Counsel services and labor/employment services will continue to be provided under the same existing matter numbers but will be included in the hours spent for all general counsel services. Representation in any matters beyond what is discussed here such as services on litigation matters or other hearings or appeals to third-party administrative agencies in arbitration will be the subject of a separate engagement agreement. Services to be provided shall include attendance at all regular and special board meetings currently scheduled for the last Monday of each month, closed sessions, and other meetings of the agency as required, provisioning of advice on general municipal affairs, ethics, government transparency, and other municipal law advice counsel as needed.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict-of-interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing you. Similarly, your names will be included in our list of clients to ensure we comply with the Rules of Professional Conduct.

Karin Hennings
 February 2, 2022
 Page 2

We have checked the following names against our client index: Karen Hennings, Del Puerto Health Care District and all District Board member names. Based on that check, we can represent the DPHCD in the above matter. Please review the list to see if any other persons or entities should be included. If you do not tell us to the contrary, we will assume that this list is complete and accurate. We request that you update this list for us if there are any changes in the future.

DPHCD'S OBLIGATIONS ABOUT FEES AND BILLINGS

For general legal services and advice counsel, the current billing rate through the end of December 2022 for this matter is \$225.00 per hour for attorneys. Paralegal services will be billed at \$175.00 per hour. We will bill you monthly for all services provided. Attorney services shall be billed at \$235.00 per hour beginning January 1, 2023 through December 31, 2024. The litigation rate for all attorneys is \$295.00 per hour or carrier-approved rates, whichever is less. Rates during any successive extension periods shall be set by mutual agreement of the parties. Travel time for attorneys will be billed at 50% of the regular hourly rate.

The memorandum attached to this letter describes the other aspects of our firm's billing policies. You should consider this memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully

FIRM STATUS

Cole Huber LLP is a limited liability partnership organized under California law. Derek P. Cole and Scott E. Huber are the equity partners of the firm. All other attorneys who may work on your matter are employees of the firm.

INSURANCE

We are also pleased to let you know that Cole Huber LLP carries errors and omissions insurance with Lloyds of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

DISCLAIMER OF GUARANTEE AND ESTIMATES

Nothing in this Agreement and nothing in any attorneys' statements to the DPHCD will be construed as a promise or guarantee about the outcome of the subject of our representation. Attorney statements are expressions of opinion only, are neither promises nor guarantees, and will not be construed as promises or guarantees. Any deposits made by the DPHCD, or estimate of fees given by the attorney, are not a representation of a flat fee and will not be a limitation on fees or a guarantee that fees and costs will not exceed the amount of the deposit or estimate. Actual fees may vary significantly from estimates given.

CLIENT'S DUTIES

The DPHCD agrees to be truthful with our attorneys and the firm and not withhold information. Further, the DPHCD agrees to cooperate, to keep our attorneys informed of any

Karin Hennings
 February 2, 2022
 Page 3

information or developments which may come to your attention, to abide by this Agreement, and to pay the firm's bills on time. The DPHCD will assist our attorneys by timely providing necessary information and documents. The DPHCD agrees to send appropriate staff to appear at all legal proceedings when our attorneys deem it necessary, and generally to cooperate fully with our attorneys in all matters related to the preparation and presentation of the DPHCD's claims.

NO TAX ADVICE

The firm has not been retained to provide the DPHCD with any tax advice concerning any of the services described in this Agreement. Any documents prepared by attorneys may have specific tax ramifications. To be sure you understand and are certain of all the potential tax consequences, you should consult with tax advisors regarding these matters.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this Agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients time and money. By signing this Agreement, you will be confirming your approval of this practice in your case.

HOW THIS AGREEMENT MAY BE TERMINATED

The DPHCD, of course, has the right to end our services at any time. If it does so, the DPHCD will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or the DPHCD's new counsel. By the same token, we reserve the right to terminate our services to the DPHCD upon written notice, order of the court, or in accordance with our attached memorandum. This could happen if the DPHCD fails to pay our fees and costs as agreed, fails to cooperate with us in this matter, or if we determine we cannot continue to represent the DPHCD for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have the DPHCD's file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

Karin Hennings
February 2, 2022
Page 4

ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

THANK YOU

We are pleased that you have selected Cole Huber LLP to represent the District and appreciate the opportunity to continue our productive relationship and provide you with excellent service. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us.

Sincerely,

COLE HUBER LLP



Derek P. Cole
Managing Partner



David G. Ritchie

DGR/cjr

AGREED AND ACCEPTED

By: _____
Karin Hennings

COLE HUBER LLP – BILLING POLICIES

Our experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing, and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based, in substantial part, on time spent by personnel in our office on that client's behalf. In special circumstances, which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work. Our rates for services are set forth in the retainer letter that accompanies these policies but are customarily to the private sector at a rate of \$365/hour, and our research assistants, paralegals and law clerks are billed at the rate of \$175/hour. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice unless otherwise provided for in the Agreement for Legal Services.

Fees for Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include, but are not limited to, mileage at the current IRS-approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

Advance Deposit Toward Fees and Costs

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorneys' fees. At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that the trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, after presentation to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

Monthly Invoices and Payment

Cole Huber LLP provides our clients with monthly invoices on each active matter for which legal services were performed or expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses may be delayed until the following month and billed on a later invoice.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 60 days, a late charge of one and a half percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We will then advise the client by letter that the client may pay the invoice within 14 days, or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time-to-time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed upon in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT

Board Meeting – February 28, 2022

10B Legal Opinion for DPHCD Use of Design-Build, Engagement Letter **10B Legal Opinion
for DPHCD Use of Design-Build, Engagement Letter**
Page 1 of 2

Department: Chief Executive Office

CEO Concurrence: Yes

Consent Calendar: No

4/5 Vote Required: No

SUBJECT: Legal Opinion for DPHCD Use of Design-Build, Engagement Letter

STAFF REPORT: The District has invested in property for the development of expanded District Office Headquarters and Ambulance Operations Facility

Looking forward to the development of said HQ and facility, the District may save dollars and improve builder accountability by using the design-build process.

Legislation in 2019 expanded the use of design build by Health Care Districts that operate a hospital or clinic.

This request is to have a legal opinion written for DPHCD as to the application of design-build process to our District Office Headquarters and Ambulance Operations Facility.

As far as a budget for the initial assignment to advise on the legislative history, depending on the level of formality you want in the final deliverable (email v. formal legal memo) and the depth of research, Mr. Gehrig expects he can provide the work for a range of \$7,000-\$15,000.

DISTRICT PRIORITY: Fiscal Transparency; Fiscal Accountability

FISCAL IMPACT: \$7,000 - \$15,000; this is an unbudgeted expense that would be attributed to the final HQ/AMB Facility project cost.

STAFFING IMPACT: None

CONTACT PERSON: Karin Hennings

ATTACHMENT(S): Letter of Engagement from David Gehrig, Hanson Bridgett

RECOMMENDED BOARD ACTION:

ROLL CALL REQUIRED: YES

RECOMMENDED MOTION: *I move the Board of Directors approve the engagement of David Gehrig of Hanson Bridgett to provide legal services related to design-build contracting, including research and advice on legislative authority, and assistance with contract documents not to exceed \$15,000.*

BOARD OF DIRECTORS OF DEL PUERTO HEALTH CARE DISTRICT

Board Meeting – February 28, 2022

10B Legal Opinion for DPHCD Use of Design-Build, Engagement Letter
for DPHCD Use of Design-Build, Engagement Letter

Page 2 of 2

DAVID S. GEHRIG
PARTNER
DIRECT DIAL (415) 995-5063
DIRECT FAX (415) 995-3416
E-MAIL dgehrig@hansonbridgett.com



March 4, 2021

VIA E-MAIL ONLY: Karin.Hennings@dphealth.org

Karin Freese Hennings
Chief Executive Officer
Administrative Director
Del Puerto Health Care District
875 E Street
Patterson, CA 95363

Re: Engagement Letter & Fee Agreement

Dear Karin:

Thank you for the opportunity to represent Del Puerto Health Care District ("DPHealth"). This letter will confirm your engagement of Hanson Bridgett LLP to provide legal services related to design-build contracting, including research and advice on legislative authority, and assistance with contract documents. We look forward to working with DPHealth in pursuing these legal objectives. If we can assist DPHealth in other areas, please let me know.

I will be the attorney responsible for this matter. My billing rate for this matter is \$495 per hour, which incorporates a significant public agency discount from my full hourly rate of \$625. When appropriate, I would propose to use other attorneys to assist on your matters to handle work commensurate with their experience and expertise. For those attorneys, I propose to charge \$495 for partners, \$425 for senior counsel, and \$395 for associates. These billing rates will be increased annually on the anniversary of this engagement by 4%. I will review your invoices for accuracy and maintain responsibility for the attorney-client relationship.

Our invoices contain a detailed narrative of the services rendered, together with the name of the attorney or paralegal involved, the time spent, and the amount charged. We recommend that you treat our invoices as confidential documents and safeguard them appropriately.

Consistent with our normal practice, in order to commence work on this matter, we ask that you provide an advance payment retainer in the amount of \$5,000. This sum will be deposited in a client trust account maintained for these purposes in accordance with State Bar rules. Your advance payment will be applied against the final invoices of fees and costs to you. Accordingly, you will be expected to pay all invoices up to that time as they are received. You will be entitled to a refund or credit of any excess that remains at the conclusion of our representation of you.

Karin Freese Hennings
March 4, 2021
Page 2

Please refer to the attached Billing and Policy Summary for additional details regarding our representation, including an agreement to arbitrate disputes. Any additional matters we agree to handle for DPHealth will be governed by the terms of this letter agreement.

We realize there are many qualified firms to choose from and are pleased you have selected our firm to assist you with your matter. We care deeply about our clients and are proud to say we have many clients who have been with our firm since the firm's inception in 1958. We strive to provide exceptional client service to all of our clients. We welcome DPHealth as a valued client and look forward to assisting DPHealth in the achievement of its objectives. You can obtain more information about my background and our firm's services from our website, www.hansonbridgett.com.

Very truly yours,

David S. Gehrig
Partner

Attachment

Karin Freese Hennings
March 4, 2021
Page 3

I have read and understand this Engagement Letter/Fee Agreement and the attached Billing and Policy Summary. I hereby confirm the engagement of Hanson Bridgett LLP to represent Del Puerto Health Care District in accordance with its terms.

DEL PUERTO HEALTH CARE DISTRICT

By: Karin Freese Hennings

Title: Chief Executive Officer / Administrative Officer

Date: _____

To facilitate your acceptance of the foregoing, you may simply reply to this e-mail message with "approved on behalf of Del Puerto Health Care District" and your name. We will consider your reply message to constitute your acceptance and agreement with the terms of this letter.



Billing and Policy Summary

1. **Billing Practices.** We have learned from experience that the attorney-client relationship works best when clients receive a full explanation at the outset about fees and payment terms. California law requires written fee agreements in many cases, and we have found that our clients prefer to have them even when not legally required. This “Billing and Policy Summary” sets forth the principles underlying our fees and other charges. Please review it and let me know if you have any questions about our billing policies. In addition, you should direct any future questions about our billing practices or any particular invoices to me.
2. **Fees.** Except as otherwise agreed with a client, we bill for our services on an hourly basis. We account for our time in tenth-of-an-hour increments, and calculate fees by applying hourly rates assigned to attorneys and other staff to the time spent on a matter. On occasion, we may utilize contract employees to assist in providing legal or paralegal services, working under our direct supervision. In such cases the client is billed at an appropriate hourly rate commensurate with that of our professional staff with equal experience and expertise. All billing rates are reviewed annually and may be adjusted periodically.
3. **Other Charges.** Depending on the matter, we may have to use various in-office support systems and outside services. Therefore, you may incur and be billed for costs in addition to professional fees, subject only to written policies regarding the billing of disbursements that a client may provide to us in advance of the engagement. Usually we bill such charges to a client’s account at the time they are incurred. Examples include photocopying, overnight delivery, messenger services, computer research, travel expenses, court filings, court reporting, data storage and expert witnesses. In some cases, we may request that a client pay the invoice of an outside vendor directly. These expenses are billed at the actual cost with no additional mark up to you. We reserve the right to make periodic adjustments to these charges.
4. **Fee Estimates.** From time to time, we may be asked to provide estimates of anticipated fees. Although we will make every effort to do so in a manner appropriate to the circumstances, these estimates may be subject to uncertainties beyond our control. Such estimates should not be viewed as a maximum or minimum fee quotation, unless we expressly confirm so in writing.
5. **Billing Procedures.** Ordinarily, we will bill clients on a monthly basis. Each invoice will separately state the amount of fees and costs. Unless otherwise specified, each represents fees and disbursements charged to the client through the end of the preceding month. The full amount of each invoice is due upon receipt by the client. Although we seek to include all fees and charges for a billing period, certain time and cost items from a billing period may not appear in the invoice for that period. Instead, they may be included in a later invoice. Matters such as probate, bankruptcy, and trust services and certain financial transactions may involve billing at specified times other than monthly, as mutually agreed upon by the client and the firm, or as required by the court.
6. **Payment Terms.** Payment is due upon presentation of the invoice. Invoices that remain unpaid after thirty (30) days from the invoice date are subject to a late payment charge of ten percent (10%) per year. Payments that are made “on account” and not identified with a specific invoice will be credited to outstanding invoices chronologically, first to costs and then to fees.
7. **Credit Report.** By executing this engagement letter, you agree that we have the right to obtain a consumer report from a recognized credit reporting agency. Should we choose to

obtain such a report, it would be for the purposes of extending credit to you or to review or collect a past due account.

8. Insurer's Role. If you are insured for all or part of the costs of our representation, we will work with you to provide the insurer with the necessary information regarding the claim. However, insurers frequently assert, rightly or wrongly, that they are not obligated to pay for all fees and costs or to pay them on a current basis. For this reason, our fees and costs will be billed to you and payment will be due from you on a current basis, irrespective of any eventual reimbursement of a portion of your fees and costs by your insurer.

9. Preservation of Electronic Information. If your engagement includes a litigation matter, it is possible that it will involve electronic discovery. Under California and federal law, the obligation to provide discovery of electronic information carries with it the obligation to preserve such information. Failure to preserve all electronic and paper information that is later determined to be of potential importance to pending or threatened litigation can result in a range of sanctions, including, in extreme cases, the sanction of an adverse judgment. This evidence may also turn out to be critical to your ability to prove facts that support your position in the case, or disprove facts that the opposing party offers. Many electronic document storage systems contain programs that automatically overwrite or delete data. It is therefore important that you take appropriate steps to ensure that all information and electronic data that may be relevant is not lost, deleted, or destroyed. We will conduct an assessment of your electronic information systems. The assessment will include an initial evaluation and an in-depth identification of sources of relevant information. In the meantime, we recommend that normal document disposition policies, or automatic purging of electronic records, be suspended as to the matters at issue in any pending or threatened litigation until the matter is concluded. Please contact me for our additional fee schedule for assistance with collecting and processing electronically stored information as needed in your matter.

10. Conflicts Review. We have performed a computerized check of potential conflicts of interest that might have prevented us from providing representation in this matter. Based on information provided by you, as well as the information available in our files, we are not aware of any conflicts of interest at this time. If you later learn of any additional parties with an interest in this matter, you should notify us immediately so that we can be certain that they create no problem with this representation. We will conduct a similar search with respect to each new matter you may refer to the firm.

11. Identity of Client. Our engagement is with the person or entity to whom this letter is addressed. Unless otherwise agreed to in writing, we do not represent any parent, subsidiary, affiliate, directors, officers, or other related person or entity as a client. We do not regard a representation adverse to a parent, subsidiary, affiliate, director, officer, or other related person or entity as being adverse to you.

12. Advance Waiver. Given the scope of our firm wide business and client representations, it is possible that during or after the time we represent you, some of our present or future clients will ask us to represent them in disputes or transactions with or involving you which are substantially unrelated to our representation of you. We understand that you have no objection to our representation of parties with interests adverse to you, and that you consent to such representations and waive any actual or potential conflict of interest as long as those other engagements are not substantially related to our services to you. Accordingly, you agree that (i) we can in the future represent existing or new clients in any matter, including litigation or other disputes, so long as the matter is not substantially related to our work for you, even if those other clients' interests are adverse to you in the other matter; (ii) we may obtain confidential

information of interest to you in these other matters that we cannot share with you; and (iii) you waive any conflict of interest that might arise from any of these representations and will not seek to disqualify us in or assert a conflict of interest with respect to any of those representations.

We agree, however, that your consent to, and waiver of such representations shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage or potential material disadvantage.

Similarly, new lawyers frequently join our firm. These lawyers may have represented parties adverse to you while employed by other law firms or organizations. We assume, unless you notify us otherwise, and consistent with our ethical standards, that you have no objection to our continuing representation of you notwithstanding our lawyers' prior professional relationships, provided we timely implement an ethical screen consistent with our customary practices to prohibit those lawyers from participating in your matter and we provide you with written notice of our implementation of the ethical screen.

13. Cooperation. To perform our services effectively, we require the support of each client. You can assist us by keeping us fully informed as to facts and developments relevant to our representation of you and to each matter assigned. It is essential that each client (as well as any employees or representatives) provide us with accurate and complete information, including written materials when requested, and that each client make its personnel available to the extent required. Failure to assist in this way may affect our ability to represent a client adequately, and could result in our withdrawal as legal counsel.

14. No Warranty of Result. We cannot predict or represent that a particular result can be obtained within a specified time. We can make no promises or guarantees regarding the outcome of the matter or matters that are the subject of our services. We do not ordinarily undertake to keep clients informed about subsequent developments or changes in law once the matter in question has concluded. If you would like us to do so, please inform us in writing so that we can make the necessary arrangements to provide this service.

15. Return and Disposition of Files. After our services conclude, we will, upon your request, deliver to you the files that we created in providing representation to you, along with any funds or property of yours in our possession. If you do not request the files, we will retain them for a period of five years after the matter is closed. At the end of the five-year period, we will have no further obligation to retain the files.

16. Dispute Resolution. While we certainly do not anticipate conflict between us, in the event of any material dispute regarding the services provided or fees charged by the firm which cannot be settled amicably, we both agree that such dispute shall be submitted, as soon as practicable, to final and binding arbitration in San Francisco in accordance with the rules and procedures of JAMS Inc., a private mediation and arbitration facilitator. We further agree that the arbitration will be subject to the Federal Arbitration Act. Any dispute shall be strictly confidential between us and, except for our own representatives, will not be disclosed to any other person or entity. You have the right to consult with independent counsel before agreeing to this provision or signing this engagement letter.

17. Mandatory Fee Arbitration. Notwithstanding Section 16 above, in any dispute subject to the jurisdiction of the State of California over attorney's fees, charges, costs or expenses, you have the right to elect arbitration pursuant to the fee arbitration procedures of the State Bar of

California, as set forth in California Business and Professions Code Sections 6200-6206. Arbitration pursuant to the State Bar procedures is non-binding unless the parties agree in writing, after the dispute has arisen, to be bound by the arbitration award. These procedures permit a court trial after arbitration, or a subsequent binding contractual arbitration if the parties have agreed to binding arbitration and either party rejects the award and requests a trial de novo within 30 days after the award is mailed to the parties. If, after receiving a notice of the client's right to arbitrate, you do not elect to proceed under the State Bar fee arbitration procedures, and file a request for fee arbitration within 30 days, any dispute over fees, charges, costs or expenses, any dispute, claim or controversy arising between us, will be resolved by binding arbitration as provided in Section 16 above.

18. Internal Firm Communications. In the course of your representation, it may become necessary for our lawyers to analyze or address their or the firm's professional duties or responsibility regarding an issue in your matter by consulting the firm's General Counsel. We believe that the ability of our lawyers to consult on such issues as needed benefits the firm and our clients and is part of our efforts to maintain our high standards of ethics and professionalism. You will not be charged for such consultations if they occur. It is possible that a conflict of interest might be deemed to exist as between our lawyers and the firm on the one hand and you or your company on the other hand, arising out of these communications. As a condition of this engagement, you consent to waive any claim of conflict of interest that might be deemed to arise out of any such communications. You further agree and acknowledge that these are our attorney-client communications protected from disclosure to you or anyone else and that you will not seek to discover or inquire into them and may not be advised that they are occurring. Before agreeing to this waiver, we encourage you to seek independent counsel regarding the import of this consent. Of course, nothing in the foregoing shall diminish or otherwise affect our obligations to keep you informed of all material developments in your representation, including any conclusions arising out of such internal communications to the extent that they affect your interests. Your execution of our Engagement Letter confirms your agreement to this provision.

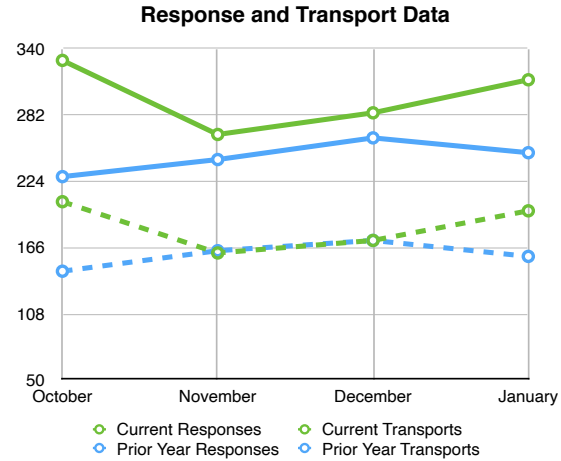
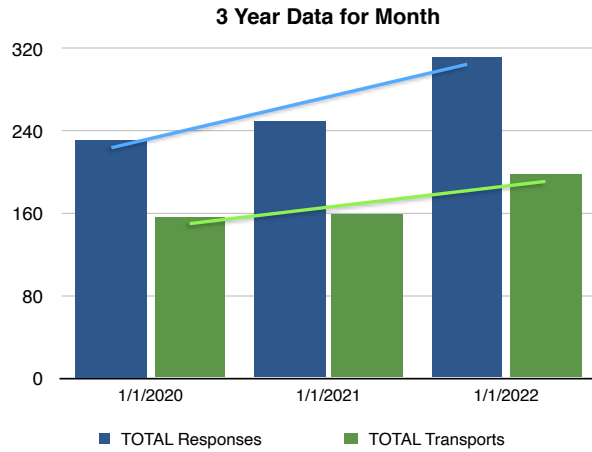
19. Termination. Clients may terminate our legal services at any time effective upon delivery of written notice to the firm. In this event, we will be entitled to receive all fees and costs incurred up to the date of termination. Unless we specifically agree to do so, we will provide no further services and advance no further costs on the matter after we receive notice of termination. Our right to terminate services to a client is subject to certain Rules of Professional Conduct that (a) require us to take reasonable steps to avoid foreseeable prejudice to the client from our withdrawal, and (b) establish standards for mandatory and permissive withdrawal under certain circumstances. Failure by a client to pay our bills in full, and on a timely basis, can constitute adequate grounds for us to withdraw. If we are attorney of record in any proceeding at the time we receive a termination notice, you will be required to execute and return a Substitution of Attorney consent immediately upon receipt, regardless of who initiates the termination.

20. Miscellaneous. From time to time, and consistent with our obligation to maintain your confidences, we may wish to reference our representation of you on our website, in attorney biographies, on matter lists, or in descriptions of our practice areas. We assume you have no objection to such use. We may send you emails with information about our firm, services, legal developments and upcoming events. If at any time you no longer wish to receive marketing communications from us, you may unsubscribe by clicking a link at the bottom of each marketing email which enables you to opt out of our mailing lists. Except as provided in Section 16, our agreement will be governed by California law.

21. Entire Agreement; Notice. This attached letter and this Billing and Policy Summary represent our entire agreement, which will be effective on the date of your signature. It supersedes all prior agreements, statements, or guarantees made before this time. Any notice from you amending, supplementing or superseding the terms of the attached letter and this Billing and Policy Summary will be effective only if approved by our duly authorized representative, and our agreement is memorialized in a writing signed by both parties. To signify your agreement with the terms of this letter, please sign the original and retain it for your files. Please sign a copy of the letter and return it to us for our files. You may also affix an electronic signature indicating your intent to sign this letter and return a copy to us electronically. If mailed, I am enclosing a pre-addressed envelope for your convenience. Of course, you have the right to seek the opinion of independent legal counsel or any other advisors, if you wish to do so, in order to determine whether each and every aspect of this agreement is in your best interests and is acceptable as drafted.

Patterson District Ambulance Response Report January 1, 2022 - January 31, 2022 Monthly Response Summary

	P91	P92	P93	P1	WS	AMR	PDA TOTALS	Other TOTALS	GRAND TOTALS
Responses	144	134	35	5	12	9	313	21	334
Transports	96	79	23	0	7	3	198	10	208
Transport %	66.67%	58.96%	65.71%		58.33%	33.33%	63.26%	47.62%	62.28%
Cancelled Response	25	24	4						
Adjusted Transport %	80.67%	71.82%	74.19%						



Mutual Aid Responses

	Westside		AMR	
	Responses	Transports	Responses	Transports
INTO District	12	7	9	3
OUT of District	24	15	165	54

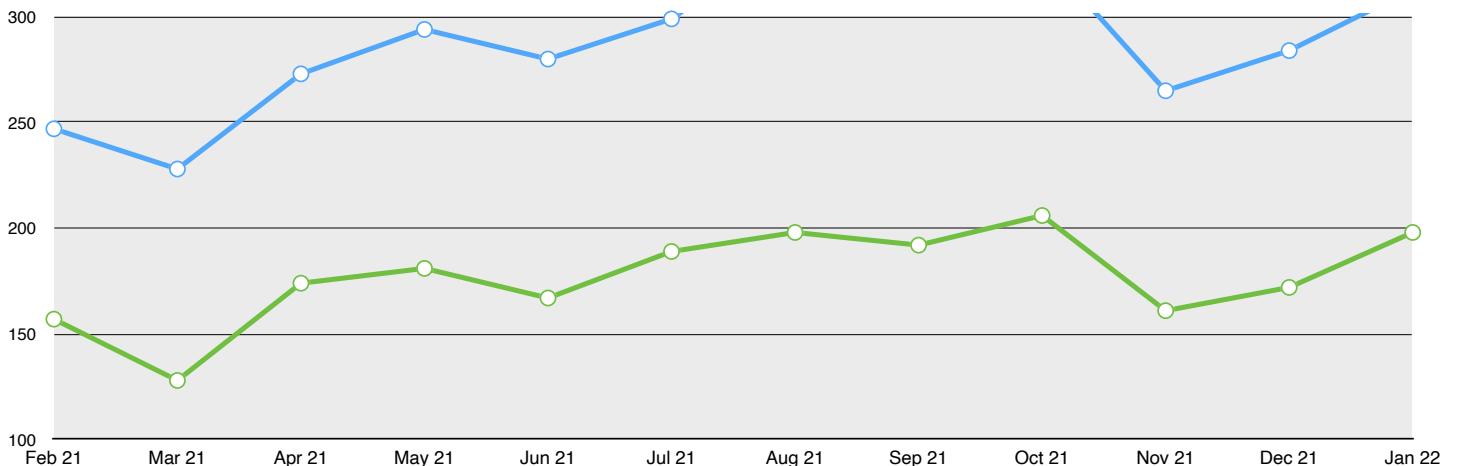
PDA In District Response %

Last Month %	This Month %	NET Change %
94.04%	93.71%	-0.33%

Rolling Compliance Periods - Snapshot on <Pending>

Urban		Suburban		Rural	
Code 3	Code 2	Code 3	Code 2	Code 3	Code 2
0%	0%	0%	0%	0%	0%

Rolling 12 Months - Responses / Transports



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Executive Summary Snapshot

01/31/22 12/31/21 12 Month Avg



Revenue Cycle Performance

01/31/22 12/31/21 12 Month Avg

Gross Charges

\$878,362.00 \$819,947.00 \$815,680.83

Month Ending

01/31/22

Charges by Class

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	\$367,147.00	\$353,332.00	\$320,955.83
Medicaid	\$313,355.00	\$263,705.00	\$264,980.42
Insurance	\$128,040.00	\$140,645.00	\$132,456.67
Self Pay	\$69,820.00	\$62,265.00	\$97,287.92
Facility			

Transports & Billable Dry Runs

234 208 203

01/31/22 12/31/21 12 Month Avg

Collections

\$182,303.00 \$247,942.00 \$185,083.58

Collection % Gross

20.8% 30.2% 22.7%

Collections by Class

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	\$42,153.00	\$50,684.00	\$41,759.42
Medicaid	\$31,543.00	\$26,832.00	\$26,895.75
Insurance	\$97,460.00	\$165,008.00	\$105,209.75
Self Pay	\$11,147.00	\$5,418.00	\$11,218.67
Facility			

Contractual Adjustments

\$609,744.00 \$553,820.00 \$547,519.17

Accounted for Funds

90.2% 104.6% 97.4%

Write Offs

\$59,599.00 \$109,508.00 \$68,948.67

Aging by Range

Payor Class	Current Month	Previous Month	12 Month Avg
0 - 30	\$221,168.00	\$209,613.00	\$219,854.00
31 - 60	\$200,188.00	\$162,895.00	\$206,176.83
61 - 90	\$76,957.00	\$145,867.00	\$107,945.25
91 - 120	\$62,560.00	\$64,645.00	\$57,815.75
120+	\$166,738.00	\$171,793.00	\$125,188.83

Transports by Class

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	88	78	74
Medicaid	87	75	69
Insurance	33	31	30
Self Pay	26	24	30
Facility			

Average Daily Revenue

\$29,278.73 \$26,449.90 \$27,189.36

Revenue Per Transport

\$3,753.68 \$3,942.05 \$4,023.09

Aging Payor Class

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	\$71,421.00	\$64,020.00	\$57,947.08
Medicaid	\$43,774.00	\$37,627.00	\$48,711.33
Insurance	\$296,920.00	\$307,526.00	\$275,009.33
Self Pay	\$310,871.00	\$335,344.00	\$337,184.25
Facility	\$4,625.00	\$10,294.00	\$8,735.81

Pay Mix Transports

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	37.6%	37.5%	36.4%
Medicaid	37.2%	36.1%	34.1%
Insurance	14.1%	14.9%	14.7%
Self Pay	11.1%	11.5%	14.8%
Facility	0.0%	0.0%	0.0%

Collections Per Transport

\$779.07 \$1,192.03 \$912.87

Days Sales Outstanding

25 26 24

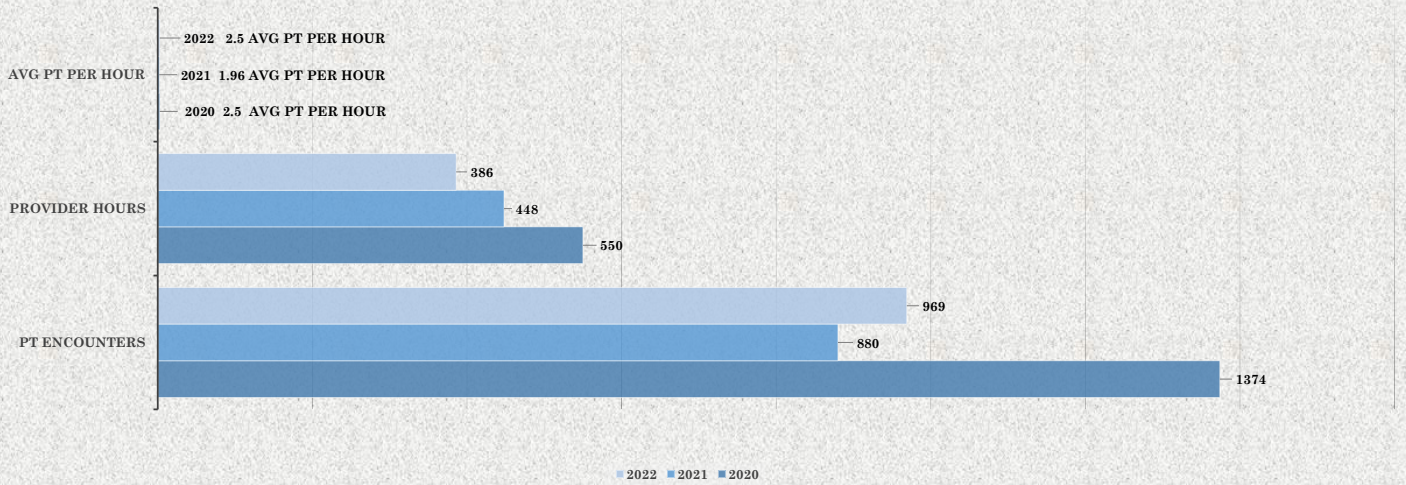
Contractual Allowance Per Transport

\$2,605.74 \$2,662.60 \$2,700.46

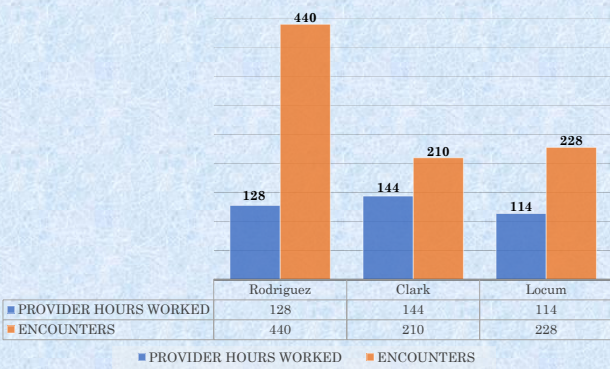
Pay Mix Aging

Payor Class	Current Month	Previous Month	12 Month Avg
Medicare	9.8%	8.5%	8.0%
Medicaid	6.0%	5.0%	6.7%
Insurance	40.8%	40.7%	37.8%
Self Pay	42.7%	44.4%	46.3%
Facility	0.6%	1.4%	1.2%

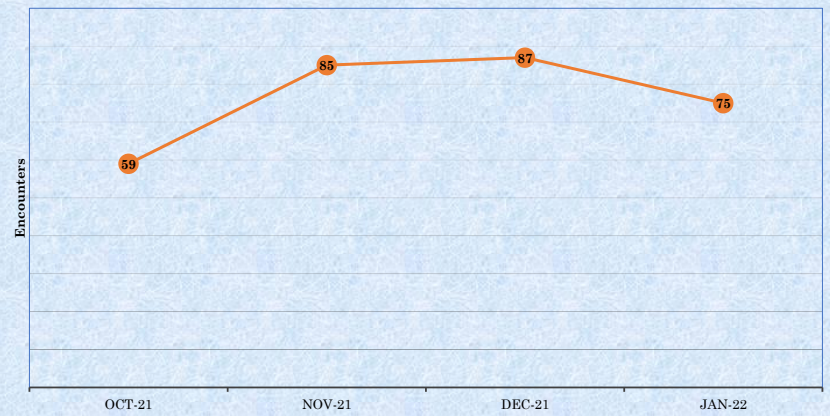
January 2020-2022 Primary Care Productivity (Combined)



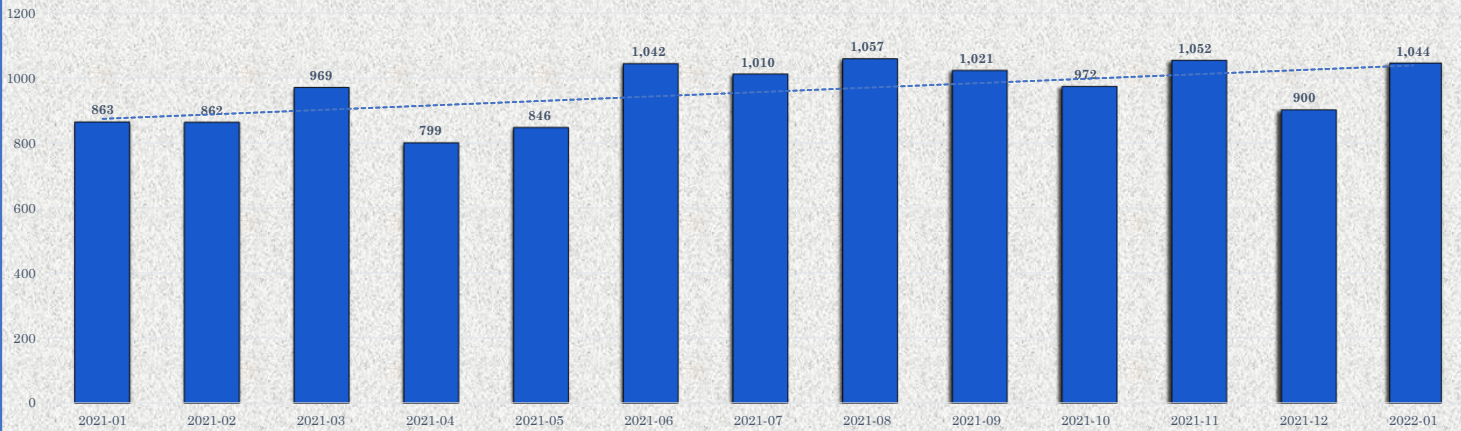
Encounters By Provider Primary Care



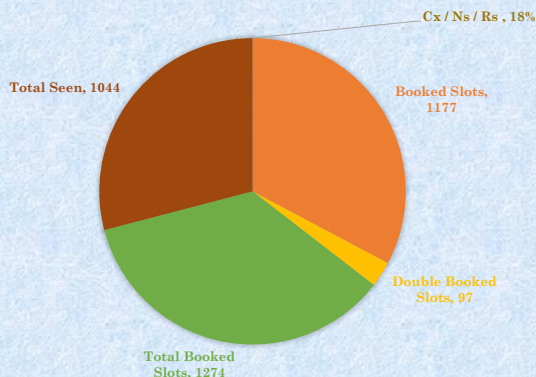
Behavioral Health Encounters



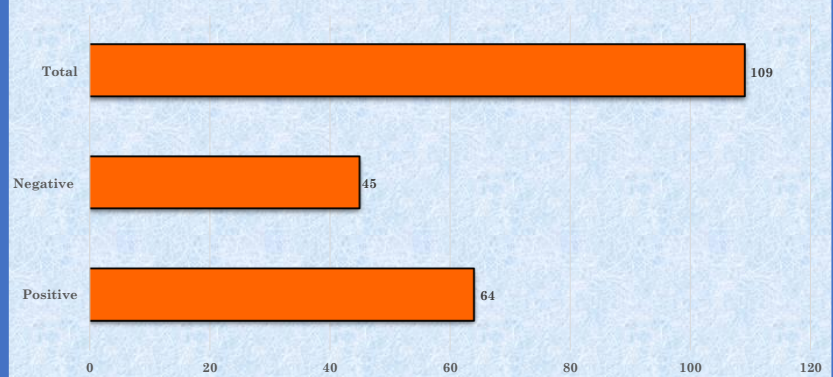
Monthly Encounter Totals January 2021 to Present



SCHEDULING RESULTS JANUARY 2022



COVID-19 Testing January 2022



Del Puerto Health Care District

Administrative Director / CEO Update – February 24, 2022

Karin Freese Hennings

Financial Summary Report in Board Packet

- February 16 – Keystone C paid off \$671,000
- February 23 – \$800,000 transferred to Stifel Investment Account per Board direction
- February 24 – Operating Account balance \$1,324,000

Strategic Planning:

- Working on objectives by department - Human Resources Draft (attached)
- Special meeting proposed – date TBD

Health Center

- Have employment agreement with new Nurse Practitioner to start in April
- Locums Dr. Perkinson from Reno through March 15 (possible April 30)
- Employment offer made to part-time Pediatrician to start in may

Ambulance

- New 2021 Ambulance operating in fleet; will surplus 2014
- Surplus 2014 Ambulance
- Drafted departmental goals and objectives

Human Resources

- State of California has grant up to 80 hours of COVID-19 related leave to all employees
- HR 2022 Goals and Objectives attached

Marketing

- Waiting for more visit capacity before advertising the health center

Legislation/Advocacy

- AB1993 proposed - mandatory vaccinations for all employees in California

Association Memberships

- Association of California Healthcare Districts (ACHD) – annual Board Strategic planning session held February 17-18.
- California Ambulance Association (CAA) / American Ambulance Association (AAA) – working towards increased reimbursement for Medi-Cal transports
- California Special District Association (CSDA) - Presentation by Dane Wadle at DPHCD Board Meeting February 28, 2022, meeting

Community

- The District will release an RFP for a vendor to update the Nexus Impact Fee study.
- Private party has expressed interest in building a hospital in Patterson

Facilities

- Keystone building to be painted in next few weeks
- No space in ambulance quarters for 3rd 24-hour crew
- First meeting with potential Municipal Advisor conducted by ad hoc committee Feb 23
- Obtain Legal Opinion Regarding District Use of Design-Build - reconsidered Feb 28, 2022

Board/Committee Deferred Items

- *none currently*

BoardBrief

Knowledge Resources for Health Care Governing Effectiveness

Maximizing Board and Management Leadership Effectiveness **Understanding the Difference Between Governance and Management Responsibilities**

The hospital's board and management each play a unique and critical role in the organization's ability to fulfill its critical mission and vision. When working together in their correct roles, the partnership between the board and management can help hospitals excel in meeting the community's needs in the best and most efficient way possible. But when the board and management step out of bounds of their respective responsibilities, the result can be disastrous for the organization's leadership, and ultimately for the long-term success of the hospital.

Trustee orientation and ongoing education programs often focus on the board's important individual functional responsibilities, such as strategic planning, CEO oversight and compensation evaluation, quality and patient safety, medical staff credentialing, ensuring financial strength and sustainability, and more. All of these areas are essential components of the board's roles and responsibilities. However, equally important is clarity and agreement on respective roles and responsibilities.

First and foremost, the board must understand its fiduciary responsibility. The fiduciary responsibility is integral to everything the board does, and should always guide trustee actions, dialogue and decisions.

Once the fiduciary responsibility is clear and strongly embraced, the board and management must both understand and adhere to their respective roles in each functional area of organizational operations. Their leadership actions should complement one another, with the board guiding, directing and overseeing strategic thinking and decision making, while the management team addresses operational details. While the board sets the long-term direction for the organization, the details of how to achieve the board-approved direction is the job of the senior management team.

The Board's Fiduciary Responsibility

For hospital governing boards, fiduciary responsibilities and their related issues of accountability and trust can be complex. Boards have a two-way responsibility: they must act in the best interests of both the hospital and the communities their hospital serves.

In these days of economic insecurity, it is particularly important for hospital governing boards to earn and keep the public's trust and confidence. In the handling of hospital finances, the oversight of hospital quality, patient care and safety, and the assessment of hospital programs and services, governing boards can and must be held accountable to the people of the communities they serve. There can be no room for question of integrity or credibility of board members. Especially now, trust is an asset no board can do without.

What are the "Fiduciary Responsibilities?"

Legally, board members must take particular care to become thoroughly informed before making any business decision; they must put the needs of the hospital mission first when making decisions; and they must abide by laws, regulations and standards of hospital operations.

These three main responsibilities are usually referred to as the Duty of Care, the Duty of Loyalty, and the Duty of Obedience.

Each of these duties may be applied in a court of law to determine whether or not a trustee, or the board as a whole, has acted improperly. They should be taken seriously by every person accepting a position on a hospital board of directors.

Duty of Care. When engaging in hospital business, trustees must use the same level of judgment they would use in their own personal business activities. The tenets are mostly common sense:

- Obtain necessary and adequate information before making any decisions;
- Act in good faith;
- Make decisions in the best interest of the hospital; and
- Set aside personal interests in favor of those of the hospital.

Individual state courts often further define board members' fiduciary duties, as does the U.S. Internal Revenue Service (IRS). The IRS, in recommendations for trustees, encourages putting policies and procedures in place to ensure that each trustee is totally familiar with the hospital's activities, that every activity promotes the mission of the hospital and helps it achieve its goals, and that each trustee should be fully informed about the organization's financial performance.

Duty of Loyalty. The duty of loyalty bars trustees from using their board positions to serve their interests or those of their businesses, friends or others. It requires that when acting in their fiduciary capacity, trustees place the interest of the hospital before all else. It demands that board members be:

- Objective and unbiased in their thinking and decision-making;
- Free from external control and without ulterior motives;
- Free of any conflict of interest when discussing issues and making decisions; and
- Able to observe total confidentiality when dealing with hospital matters.

To identify potential conflicts of interest, trustees and staff should annually disclose, in writing, any known financial or other interest with any entity that transacts business with the hospital or its subsidiary businesses.

The IRS recommends creating written procedures for determining whether a relationship, financial interest or business affiliation results in a conflict of interest, and outlining a course of action in the event that a conflict of interest is identified.

Carrying Out the Board's Fiduciary Duties

The Duty of Care is fulfilled by...

- Consistent attendance at board and committee meetings
- Attentive and introspective preparation for board meetings
- Obtaining and reviewing relevant data and information before voting to ensure evidence-based decisions
- Exercising independent judgment
- Periodic examination of the performance of the executives and trustees who lead the organization
- Meaningful review of the organization's finances and policies

The Duty of Loyalty is carried out by...

- Full disclosure of potential conflicts of interest
- Compliance with the organization's conflict of interest policy
- Avoidance of the use of corporate opportunities for personal gain or benefit
- Maintaining confidentiality when required

The Duty of Obedience is carried out by...

- Strict adherence to the by-laws of the board and the mission of the hospital
- Compliance with all regulatory and reporting requirements
- Understanding of all documents governing the board and its operation (by-laws, articles of incorporation, board and committee job descriptions, charters, etc.)
- Ensuring that decisions further the organization's mission and comply with the scope of its governing documents

Duty of Obedience. The duty of obedience requires board members to be faithful to the hospital's mission, and to follow all state and national laws, corporate bylaws, rules and regulations when representing the interests of the hospital.

Board members, in carrying out their duty of obedience, will protect the limited resources of the hospital to ensure optimal services and benefit to the community. They will ensure legal compliance with all applicable laws and regulations.

The IRS recommends several board actions to promote good governance practices related to the board's duty of obedience:

- Develop both a code of ethics and whistleblower policies;
- Adopt and monitor specific fundraising policies;
- Carefully outline and determine compensation practices; and
- Develop and strictly adhere to document retention policies.

Maintaining the Balance: Lack of Oversight vs. Micromanagement

Strong boards are independent-minded, curious, and able to focus on what matters most. Their members are willing to challenge status-quo thinking and stretch themselves intellectually. Weak boards are complacent and submissive. Their members do not ensure that all sides of issues are considered, or that “conventional wisdom” is challenged. Such weak boards are not likely to successfully carry out their fiduciary responsibilities.

There are two true roadblocks to any board’s ability to maintain fiduciary effectiveness. These are 1) a tendency toward “rubber stamping;” and 2) a tendency toward micromanagement.

Rubber Stamping. Members of rubber-stamping boards fail to ask pertinent questions or engage in deliberative dialogue on solutions to challenges, and do not work successfully together to arrive at independent-minded decisions. They accept recommendations with little questioning or debate, and fail to explore alternatives and scenarios that may reveal the weaknesses of arguments or positions.

Rubber-stamping boards are often a result of overly dominant individuals and weak board chair leadership. A strong board chair will ensure that every board member is meaningfully engaged in constructive thinking and deliberation on the important issues that come before the board.

From a legal standpoint, individual members of a rubber-stamping board may be considered negligent and liable for their actions or inactions, and may be held personally liable for a lack of adequate oversight.

Micromanagement. Micromanagement is a term generally applied to boards that pay too much attention to details, and not enough attention to “big picture” strategic issues and implications. Board members must understand that they are expected to be leaders and overseers, not managers and implementers. They should be concerned with the “what,” not the “how.”

It's up to everyone on the board to guard against micromanagement. The board chair should ensure that its members understand their roles, and consistently adhere to them. In addition, the CEO needs to be willing to candidly discuss problems of micromanagement with the board chair to work out board-driven solutions to this problem, if it exists.

Board and Management Responsibilities in Key Functional Areas

The following table lists board and management responsibilities in several leadership responsibility areas. While every hospital has its own unique circumstances and challenges, this table may serve as a guide for ensuring a greater understanding of the responsibilities for each leadership group, and how the board and management can work together to complement one another to successfully lead their organization into the future. Ten leadership responsibility areas are explored, including:

- Strategy;
- Leadership structure and governance processes;
- Quality and patient safety and compliance;
- Community relationships;
- Relationship with the CEO;
- Workforce;
- Medical staff privileging, credentialing and oversight
- Financial leadership;
- Community health; and
- Organizational ethics.

Strategy

Responsibility	Board Role	Management Role
Development and Review of Mission, Values and Vision	<ul style="list-style-type: none"> Approves and helps formulate Participates in annual strategic planning that reviews and updates the statements, when necessary 	<ul style="list-style-type: none"> Provides input and background materials for board review and discussion prior to formulating and/or updating the statements
Implementation of Mission, Values and Vision	<ul style="list-style-type: none"> Makes decisions that support the mission, values and vision 	<ul style="list-style-type: none"> Establishes and carries out Sets the tone and expectations for the culture of the organization
Long-Term Strategic Plan	<ul style="list-style-type: none"> Exhibits leadership in strategic thinking and planning sessions, reviewing relevant materials and engaging in robust debate and dialogue about critical issues impacting the organization Determines strategic directions, including strategic initiatives that address identified community health needs identified Approves the long-term strategic plan 	<ul style="list-style-type: none"> Enables well-informed, data-driven board discussions, debate and decision-making by providing relevant data, information and background materials and input Develops strategic recommendations, measurable objectives, action plans and budgets to support and implement strategic goals and direction
Short-Term Plans	<ul style="list-style-type: none"> Ensures progress towards goals through regular monitoring and oversight 	<ul style="list-style-type: none"> Develops and implements plans
Service Development	<ul style="list-style-type: none"> Evaluates management recommendations Approves new services and programs Advises and ensures progress in development through regular monitoring and oversight 	<ul style="list-style-type: none"> Conducts research to determine service needs Develops service concepts and plans Presents plans and recommendations to board Provides program reports to the board
Monitoring Strategic Progress	<ul style="list-style-type: none"> Regularly reviews measures Asks probing questions to ensure board member understanding and progress towards goals and objectives Advises and collaborates with management on corrective measures, as appropriate 	<ul style="list-style-type: none"> Defines measures for tracking performance Reports measures to the board, interprets meaning and identifies barriers or challenges to success
Day-to-Day Operations	<ul style="list-style-type: none"> No role 	<ul style="list-style-type: none"> Makes all management decisions Develops policies and procedures Advises board, as appropriate

Leadership Structure and Governance Processes

Responsibility	Board Role	Management Role
Board Roles, Responsibilities and Composition	<ul style="list-style-type: none"> Clearly defines the board and committee roles in written documentation Ensures leadership qualities, background, and knowledge is in place for effective governance Establishes and uses board committees effectively Ensures an effective trustee succession plan is in place 	<ul style="list-style-type: none"> Provides information, resources, and opportunities for board use in strengthening their effectiveness
Board Reports	<ul style="list-style-type: none"> Evaluates information reported, engaging in appropriate strategic-level dialogue Accepts and approves reports 	<ul style="list-style-type: none"> Prepares concise reports and well-conceived recommendations for board consideration
Strategic Focus and Discussion	<ul style="list-style-type: none"> Discussions focus on the board's policy-making function, rather than operational thinking or decision-making Ensures the majority of meeting time is spent on strategic issues Engages in lively dialogue that is respectful and includes participation from all trustees 	<ul style="list-style-type: none"> Focus on operational thinking and decision-making, using the board's policy-making and strategic leadership as a guide
Board Policies and Procedures	<ul style="list-style-type: none"> Uses governance policies and procedures to clearly define the board's responsibilities, delineating between board, management and medical staff Uses policies and procedures to establish efficiency and consistency Reviews board structure, committee practices, tenure, policies and bylaws annually 	<ul style="list-style-type: none"> Drafts strong, well-written policies for board review and approval Facilitates a process for periodic policy review, update and approval
Board and Trustee Performance	<ul style="list-style-type: none"> Ensures board members are well-prepared at every meeting to engage in meaningful discussion and decision-making Conducts meeting evaluations to determine efficiency, effectiveness and value of board meetings Conducts a regular board practices and performance self-assessment, and takes corrective action for improvement, when appropriate Ensures a corrective process is in place when a trustee isn't performing according to board standards and requirements 	<ul style="list-style-type: none"> Ensures board members are provided with agendas, reports, and other relevant materials well-enough in advance of meetings to enable meaningful and efficient discussion and decision-making Provides administrative assistance in conducting the board self-assessment

Leadership Structure and Governance Processes (cont.)

Responsibility	Board Role	Management Role
Trustee Knowledge	<ul style="list-style-type: none"> Reviews appropriate meeting materials and background information in advance of governance discussions and decision-making Participates in ongoing trustee education sessions, builds knowledge of governance roles/responsibilities and stays abreast of environmental factors and concerns via a range of sources (industry publications, electronic media, etc.) New trustees participate in an orientation that focuses on industry trends, community profile, the system's values and strategy, and the role of governance 	<ul style="list-style-type: none"> Ensures board members are provided with meeting materials and relevant background information necessary for meaningful and efficient discussion and decision-making Schedules and/or provides the board with information about upcoming educational opportunities relevant to the board Compiles and disseminates to the board informational and educational articles and publications Ensures new trustee orientation program is conducted
Executive Sessions	<ul style="list-style-type: none"> Used regularly to promote open communication between the board and CEO on serious or sensitive issues 	<ul style="list-style-type: none"> CEO participates actively in executive sessions Management role may be defined depending on the agenda
Conflict of Interest	<ul style="list-style-type: none"> Ensures a conflict of interest policy is in place and is adhered to Board members declare conflicts of interest and recuse themselves from proceedings as warranted. 	<ul style="list-style-type: none"> Administers annual disclosure statements Provides education, information and legal counsel regarding conflicts of information

Organizational Ethics

Responsibility	Board Role	Management Role
Development and Implementation of Organizational Ethics	<ul style="list-style-type: none"> Adopts a statement of values and ethical principles (code of ethics) for the hospital Adopts a statement of values and ethical principles (ethical principles) for the board 	<ul style="list-style-type: none"> Abides by the statement of values and ethical principles, and disseminates the values and ethics throughout the organization through personal actions as well as operational rules, policies, new employee orientation, training and internal communications
Awareness of Ethical Issues	<ul style="list-style-type: none"> Ensures that ethical principles and values are provided to all individuals who are employed by, or volunteer with, or are formally affiliated with the hospital Ensures that ethical principles and values are provided to patients and their families Ensures a process to allow confidential concerns about ethical issues from patients, employees or physicians to be brought to the attention of management 	<ul style="list-style-type: none"> Takes the operational steps necessary to ensure that the board-approved ethical principles and values are provided to all individuals who are employed by, or volunteer with, or are formally affiliated with the hospital Takes the operational steps necessary to ensure that the ethical principles and values are provided to patients and their families Develops and implements a process to allow confidential concerns about ethical issues from patients, employees or physicians to be brought to the attention of management

Quality, Patient Safety and Compliance

Responsibility	Board Role	Management Role
Defining and Understanding Quality	<ul style="list-style-type: none"> Has a board-approved definition of quality and patient safety Ensures quality and patient safety are a priority on board agendas Ensures a hospital culture of quality and safety, and a hospital-wide plan is in place for improving quality and patient safety and reducing medical errors Discusses and ensures adherence to Joint Commission requirements and patient safety goals 	<ul style="list-style-type: none"> Implements the board's strategic direction and high-level plans for improving quality and patient safety and reducing medical errors Takes necessary operational action to ensure adherence to Joint Commission requirements and patient safety goals
Monitoring Quality and Patient Safety	<ul style="list-style-type: none"> Utilizes a quality committee Sets targets for achieving the quality and patient safety goals, and ensures progress towards goals through regular monitoring and oversight Ensures a plan is in place for identifying and reporting adverse and sentinel events Ensures compliance with applicable state and federal regulations, including the Joint Commission, IRS, CMS, and others Ensure performance in voluntary measurements, such as CMS Hospital Compare performance measurements and patient satisfaction scores (HCAHPS), which are expected to be used for future value-based payments through consistent monitoring and oversight 	<ul style="list-style-type: none"> Provides management support for the quality committee Develops a quality improvement plan for achieving board-established quality and patient safety goals, establishes and implements the operational details necessary to fulfill the plan, Reports organizational performance in pre-defined areas to the board at regular intervals Ensures compliance with applicable state and federal regulations, including the Joint Commission, IRS, CMS and others; taking immediate corrective action when necessary and reporting compliance performance to the board Collects and reports voluntary measurement information regularly to the board
Corporate Compliance	<ul style="list-style-type: none"> Reviews and approves code of ethics and compliance plan Ensures compliance with state and federal regulations, and the requirements of the Joint Commission, IRS, CMS and other regulating entities Monitors execution of corrective actions to ensure full compliance 	<ul style="list-style-type: none"> Appoints a compliance officer Develops and implements a compliance plan, including organization-wide compliance training Facilitates internal and external audits, reporting audit results to the board Develops and implements corrective action plans as warranted

Relationship with the CEO

Responsibility	Board Role	Management Role
Board and CEO Roles	<ul style="list-style-type: none"> Understands the board's strategic/policy responsibilities vs. the CEO's operational responsibilities Adheres to the governing board's policy-making role, and does not interfere in the CEO's operations management role 	<ul style="list-style-type: none"> Understands the board's strategic/policy responsibilities vs. the CEO's operational responsibilities Expects the board to engage in deep, probing dialogue about strategic issues rather than "rubber stamp" management proposals and ideas
Communication, Support and Shared Goals	<ul style="list-style-type: none"> Consistently supports the CEO in the pursuit and implementation of board-approved objectives Mutual trust and respect exist between trustees and the CEO 	<ul style="list-style-type: none"> CEO maintains a positive relationship and ongoing communication with the board, including between board meetings when necessary Mutual trust and respect exist between trustees and the CEO
CEO Evaluation	<ul style="list-style-type: none"> Establishes CEO performance criteria and evaluates CEO performance annually Sets the CEO's compensation <ul style="list-style-type: none"> Has strong understanding of compensation structures, legal and regulatory requirements Uses comparative compensation data in setting compensation levels Uses pre-defined expectations and performance targets tied to organizational performance in setting compensation incentives Regularly reviews the CEO's compensation to ensure that it is reflective of compensation trends of organizations with a similar size and scope 	<ul style="list-style-type: none"> The CEO should know his or her evaluation criteria at the onset of the evaluation period, and the annual evaluation should not come as a surprise Management may participate in a 360 degree evaluation of the CEO
CEO Recruitment and Succession Planning	<ul style="list-style-type: none"> Develops a clear CEO succession and recruitment plan, including setting a transition timeline, drafting desired CEO qualities, creating a clear job description and establishing performance criteria Set's expectations for management talent and approves a clear process for identifying, retaining and developing internal management talent Ensures development of and approves a leadership development program Annually reviews and approves the CEO succession plan 	<ul style="list-style-type: none"> Actively participates with the board, and advises the board on the development of a CEO succession and recruitment plan Develops and implements the process for identifying, retaining and developing internal management "talent" Develops and implements a leadership development program Conducts an annual review of the CEO succession plan, recommends updates and changes to the board

Workforce

Responsibility	Board Role	Management Role
Personnel Policies	<ul style="list-style-type: none"> Reviews and adopts Provides expertise and counsel upon request regarding human resource issues and policies 	<ul style="list-style-type: none"> Drafts policies and makes recommendations to the board, and administers adopted policies Conducts annual employee attitude surveys and evaluates results Develops strategies and implements action plans for strengthening employee satisfaction
Staff Salaries and Benefits	<ul style="list-style-type: none"> Approves budget, ensuring adequate resources are in place to assure a competent, high-quality patient care workforce Approves final labor contracts 	<ul style="list-style-type: none"> Develops compensation and benefits strategies Approves job classifications, salary ranges and benefits programs with input and recommendations from the supervisory staff Negotiates labor contracts
Hiring of Staff	<ul style="list-style-type: none"> Knows potential areas of workforce shortages, Understands current and emerging barriers to recruitment, provides expertise and counsel in devising strategies to meet workforce needs No role in hiring of individual personnel 	<ul style="list-style-type: none"> Develops and implements a plan to meet long-term projected workforce demands and anticipated shortages Hires and evaluates the people necessary to meet current and future projected workforce needs Develops and implements new employee orientation and training
Staff Responsibilities and Job Assignments	<ul style="list-style-type: none"> No role 	<ul style="list-style-type: none"> Administers staffing levels, job classifications, job descriptions, etc.
Staff terminations and reductions in force (layoffs)	<ul style="list-style-type: none"> No role in individual terminations, with exception of executive staff. Shall be advised of executive staff terminations and shall provide counsel upon request Is advised of expected reductions in force (layoffs) and understands the business needs, rationale and implications for reductions 	<ul style="list-style-type: none"> Makes final termination decisions Makes decisions regarding reductions in force (layoffs)
Staff Grievances	<ul style="list-style-type: none"> No role Is advised of potentially high-profile cases, particularly those that may generate media attention. 	<ul style="list-style-type: none"> Establishes and administers a staff grievance process Makes final grievance decisions
Staff Evaluation	<ul style="list-style-type: none"> No role, with exception of CEO evaluation 	<ul style="list-style-type: none"> Responsible for the staff's performance evaluations

Medical Staff Privileging, Credentialing and Oversight

Responsibility	Board Role	Management Role
Appointments and Credentialing	<ul style="list-style-type: none"> • Approves bylaws, appointments and reappointments • Approves physician credentialing • Approves physician privileging 	<ul style="list-style-type: none"> • Provides management support for the credentialing and privileging processes, appointments and reappointments
Physician Oversight	<ul style="list-style-type: none"> • Ensures effective communication between medical staff and board • Ensures physician performance is aligned with hospital mission, vision, values, and strategic goals and objectives • Accountable for employed-physician compensation oversight <ul style="list-style-type: none"> – Has strong understanding of compensation structures, and legal and regulatory requirements and restrictions – Uses comparative compensation data in setting compensation levels – Uses pre-defined expectations and performance targets (e.g., quality, patient safety, patient satisfaction, etc.) in setting compensation incentives • Jointly establishes with medical staff, a well-defined process for addressing medical staff/board conflicts, and adheres to the process 	<ul style="list-style-type: none"> • Assists in facilitating communication between board and medical staff • Develops criteria, measures and indicators representative of physician performance expectations, to ensure alignment with hospital mission, vision, values, and strategic goals and objectives • Develops physician compensation structures and makes recommendations to the board
Physician Relationships and Involvement in Decision-Making	<ul style="list-style-type: none"> • Medical staff is represented on the board, within the limits of fiduciary responsibility and independence (e.g., ex-officio) • Ensures physician participation in strategic planning sessions, discussions and decision-making • Seeks medical staff advice and counsel on strategic issues, in order to help improve care outcomes • Understands the roles and responsibilities of the medical executive committee • Regularly assesses physician attitudes and needs • Ensures an effective physician leadership development program 	<ul style="list-style-type: none"> • Develops and oversees medical staff affairs • Receives reports and maintains relationships • Implements medical staff policy • Develops and implements a physician leadership development program

Financial Leadership

Responsibility	Board Role	Management Role
Budgeting	<ul style="list-style-type: none"> • Uses the annual budget process to define the most effective allocation of the hospital's limited resources; provides input and counsel to the CEO regarding budget assumptions and programmatic changes affecting the budget • Ensures adequate capital is available to achieve the plan • Approves the budget 	<ul style="list-style-type: none"> • Develops policy on standardized budget procedures • Prepares a preliminary budget that will support implementation of the strategic plan • Develops assumptions, targets and objectives and makes recommendations to the board
Monitoring Financial Progress	<ul style="list-style-type: none"> • Identifies and approves performance targets • Reviews performance targets at least quarterly • Uses financial performance reports to modify assumptions and shift resources, as necessary 	<ul style="list-style-type: none"> • Tracks detailed financial progress, and takes immediate corrective action when necessary • Develops financial reports for the board in an easy-to-understand format, highlighting major trends and key indicators, • Stimulates robust discussion and dialogue that enables timely decision-making
Financial Assistance (Charity Care), Billing and Collections	<ul style="list-style-type: none"> • Adopts financial assistance (charity care), billing and collections policies, ensuring they are mission-driven, comply with state and federal regulations and address recent public scrutiny related to the rates some hospitals charge self-pay patients in comparison to contracts with third-party payers; undisclosed availability of financial aid and charity care; unclear eligibility criteria and perceptions of aggressive collection techniques • Ensures financial assistance and charity care policies are clearly communicated to all patients, and determines whether the hospital offers financial advisors to assist uninsured patients in navigating their financial assistance options • Ensures hospital billing practices are patient-friendly, adopts billing and collections policies and procedures designed to strengthen community trust 	<ul style="list-style-type: none"> • Submits draft financial assistance, charity care, billing and collections policies to the board for review and approval • Implements the board-approved financial assistance, charity care and billing and collections policies • Implements communication and dissemination of financial assistance and charity care policies to employees and patients, • Per board determination, makes financial advisors available to assist patients • Develops and implements board-approved patient-friendly billing
Capital Purchases	<ul style="list-style-type: none"> • Evaluates and approves requests and recommendations for capital purchases 	<ul style="list-style-type: none"> • Prepares substantiated requests and recommendations for capital purchases
Decisions on Building, Renovation, Leasing, Expansion	<ul style="list-style-type: none"> • Evaluates needs, proposals and recommendations, makes decisions 	<ul style="list-style-type: none"> • Conducts research, prepares reports and makes recommendations for board consideration • Exercises contractual authority
Supply Purchases and Repairs	<ul style="list-style-type: none"> • Adopts supply purchase and repair policy 	<ul style="list-style-type: none"> • Exercises purchase authority in accordance with board policy and maintains an adequate audit trail • Authorizes repairs up to board approved amounts, and for amounts that can be spent without Board approval
Fees	<ul style="list-style-type: none"> • Adopts policy as part of budget process 	<ul style="list-style-type: none"> • Develops fee schedule

Community Health

Responsibility	Board Role	Management Role
<p>Community Needs Assessment</p>	<ul style="list-style-type: none"> Ensures a community needs assessment is conducted regularly, in accordance with IRS requirements, new health reform requirements (the Patient Protection and Affordable Care Act), and Joint Commission requirements Ensures input from individuals representing broad community interests, including those with knowledge/expertise in public health issues 	<ul style="list-style-type: none"> Conducts the community needs assessment and reports results to the board
<p>Development and Support of Community Health Initiatives</p>	<ul style="list-style-type: none"> Understands the strategic importance of initiatives designed to improve the health of the community Sets strategic goals to address community needs identified through the community needs assessment Allocates adequate resources to support pursuit of goals addressing community needs Ensures progress in achieving community needs goals through regular monitoring and oversight 	<ul style="list-style-type: none"> Develops and implements plans to ensure board-led strategic goals related to community needs are achieved Tracks progress in meeting community needs and makes reports to the board Addresses barriers and challenges that threaten goal achievement
<p>Community Involvement and Communication</p>	<ul style="list-style-type: none"> Ensures a process is in place to secure and evaluate community feedback on the value of hospital programs and services Uses feedback to enhance responsiveness to community health improvement opportunities Ensures results of shared improvement efforts are communicated to the community and other interested stakeholders 	<ul style="list-style-type: none"> Solicits community feedback on the value of hospital programs and services, and reports to the board Modifies community health improvement plans, based on board feedback and high-level direction Proactively communicates the results of shared improvement efforts to the community and other interested stakeholders

Community Relationships

Responsibility	Board Role	Management Role
Advocacy	<ul style="list-style-type: none"> Approves the hospital's advocacy/political agenda Ensures elected officials' knowledge of issues and their implications for hospitals Advocates and lobbies for political issues affecting the organization 	<ul style="list-style-type: none"> Develops legislative/political strategies and recommends hospital position and message to board Ensures board education and understanding of issues and facilitates board advocacy and communication with elected officials Is knowledgeable and well-informed regarding issues, conducts ongoing communication with elected officials
Community Relations	<ul style="list-style-type: none"> Acts as community "ambassadors," ensuring that trustee actions contribute to building and sustaining a positive image for the hospital Keeps the community informed about the benefit the hospital provides, and ongoing issues and challenges Acts as an advocate and information source to the community 	<ul style="list-style-type: none"> Keeps community informed about the benefit the hospital provides, and ongoing issues and challenges Manages the public/community relations function
Ensuring Public Trust and Confidence	<ul style="list-style-type: none"> Sets goals for transparency in key areas, including cost, quality and governance Ensures a community benefit report is regularly published and distributed Ensures results of community needs assessments, financial assistance policy and other documents are made readily available to the public in accordance with applicable regulations 	<ul style="list-style-type: none"> Carries out transparency goals through a variety of communication methods and community partnerships Develops and distributes the community benefit report, with board approval Implements public availability of documents and information in accordance with applicable regulations

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*Your kind and thoughtful
expression of sympathy
is deeply appreciated and
gratefully acknowledged*

Del Puerto Health,
Thank you so much for
the plant. It was so thoughtful
and we feel grateful for
your support during this
difficult time.

Evan

2/23/2022

Gustine Planning Commission considers use permit for community medical clinic

By **SABRA STAFFORD**
WESTSIDE CONNECT

The Gustine Planning Commission will consider granting a use permit at the Wednesday night meeting to Community Health Centers of America to operate a primary and urgent care clinic in Gustine.

The Community Health Centers of America has had long-standing plans to operate a free-standing urgent care in the former Horizons Unlimited Health Care at 554 Fifth St. The previously secured a \$100,000 loan from the city as well as a \$100,000 commitment from the non-profit Legacy Health Endowment

for the operation. The discovery of asbestos in the building and then the COVID-19 pandemic pushed the project off the expected timeframe, but work has resumed.

CHCA has been remodeling the building and has all the approvals from the Department of Health and Human Services to operate a clinic. Under current City code, a use permit is needed to operate a clinic, lab or urgent care facility.

CHCA is looking to operate a primary care clinic staffed with one nurse practitioner, one supervising physician and two support staff. CHCA has long-term plans to purchase

additional property to expand the facility with a lab, radiology, psychiatric care, and other specialty care needs. Any expansion would require an additional use permit from the City.

Hours of operations for the clinic would be from 7 a.m. to 8 p.m. Mondays through Saturdays. It would be open to anyone regardless of insurance.

CHCA wants to open the facility in Gustine, because the City has been identified as having a need for local healthcare

options since the departure of Horizons.

Currently, refurbishing work is being done to the cabinetry, flooring and lighting. CHCA hopes to open by the end of February.

The Planning Commission meets at 6 p.m. Wednesday virtually by following the link: <https://global.gotomeeting.com/join/443172829> or via telephone by dialing (646) 749-3335, access code: 443-172-829.