



P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Phone
(209) 754-2537 Fax

**Meeting of the Board of Directors
Wednesday July 25, 2018
7:30 am
Mark Twain Medical Center Classroom 2
768 Mountain Ranch Rd,
San Andreas, CA**

Agenda

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. **Call to order:**
2. **Roll Call:**
3. **Approval of Agenda:** Action
4. **Public Comment on matters not listed on the Agenda:**

The purpose of this section of the agenda is to allow comments and input from the public on matters within the jurisdiction of the Mark Twain Health Care District not listed on the Agenda. (The public may also comment on any item listed on the Agenda prior to Board action on such item.) **Limit of 3 minutes per speaker.** The Board appreciates your comments however it will not discuss and cannot act on items not on the agenda.

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Agenda – July 25, 2018 MTHCD Board Meeting

5. Consent Agenda: Action

All Consent items are considered routine and may be approved by the District Board without any discussion by a single roll-call vote. Any Board Member or member of the public may remove any item from the Consent list. If an item is removed, it will be discussed separately following approval of the remainder of the Consent items.

A. Correspondence:

- Bank of Stockton Letter – Fee Adjustment (7-13-2018)
- Doris Barger Golf Tournament – Thank You (7-19-2018)
- Kalani McKinley – Thank You (7-13-18)

B. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes for June 13, 2018
- Un-Approved Special Board Meeting Minutes for June 20, 2018
- Un-Approved Meeting Minutes for June 27, 2018

6. New Business:

A. MTMC Request to Amend Schedules & Exhibit “Additional Premises”:

- MTMC Letter (July 2, 2018) Schedules & Exhibits Section that MTMC has leased since the 6th Amendment are 700 Mt. Ranch Rd and 702 Mt. Ranch Rd which includes a small storage building: Action.....Dr. Smart
- Resource Connection - Child Advocacy Program Presentation.....Kelli Coane

7. MTHCD Reports:

A. Presidents Report:Ms. Reed

- Association of California Health Care Districts (ACHD):

B. Executive Director Report:.....Dr. Smart

- Strategic Plan Matrix:
- ACHD Nomination:
- CPPA Energy Efficiency Grant: Board Approved on 6-27-2018:
- Nylen Properties Corp. Purchase of Building:
- Stay Vertical Calaveras – Contract: Action.....Dr. Smart

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- C. Corp. Board Report:**Ms. Reed / Ms. Atkinson
 - MTMC Digital X-Ray Capital Request: **Action**.....Ms. Reed

8. Committee Reports:

A. Finance Committee:.....Ms. Atkinson / Ms. Radford

- CSDA Leadership Training.....Ms. Atkinson
- Financial Update:.....Mr. Krieg
- Recommendation - Approval of June 2018 Financial Statements: **Action**Ms. Atkinson
- Update on Investment Policy NO. 22:.....Ms. Atkinson
- Pending Accounting Services RFP & Extension of Current Services:.....Dr. Smart
- JWT & Associates, LLP – Letter of Engagement: **Action**.....Dr. Smart

B. Ad Hoc Lease Review Committee:.....Ms. Reed / Ms Atkinson

C. Ad Hoc Policy Committee:.....Ms. Atkinson / Ms Al-Rafiq

- Policy Updates – Policies 5, 6, 7, 8, 12 and 13: **Action**
 - Policy Number 5, Committees of the Board; Public Info. Officer; Auditors:
 - Policy Number 6, Board Meetings: Location, Time, Date and Quorum:
 - Policy Number 7, Attendance at Meetings:
 - Policy Number 8, Agenda:
 - Policy Number 12, Conflict of Interest Code and Ethics:
 - Policy Number 13, Appointments to District Board:

D. Ad Hoc Real Estate:Ms. Reed / Ms Al-Rafiq

- **Update on Valley Springs Clinic:**Dr. Smart
 - USDA Loan:.....Ms. Reed / Dr. Smart

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Agenda – July 25, 2018 MTHCD Board Meeting

- Project Manager:.....Pat Van Lieshout
- Opinion of Probable Costs:.....Mr. Krieg
- Valley Springs Health & Wellness Center - Bid Award: **Action**.....Dr. Smart
 - Letter of Intent – Diede Construction (7-17-2018)
- **Update on VS Property - Phase II:**.....Ms. Al-Rafiq / Ms. Reed
 - SLF Feasibility Study Presentation:.....Dr. Smart / Ron Regan

9. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

10. Next Meeting:

A. Aug 22, 2018

11. Closed Session:Ms. Reed

A. Conference with Real Property Negotiators (Govt. Code section 54956.8). Property: Mark Twain Medical Center, 768 Mt. Ranch Road, San Andreas, CA. Agency Negotiator: Lin Reed, President Chair of the Board. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc.; Under negotiations: Price and Terms of Lease.

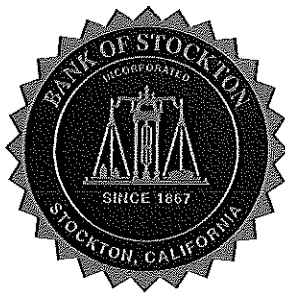
12. Reconvene to Open Session:

A. Report of Action taken (if any) in Closed Session:

13. Adjournment: **Action:**

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Agenda – July 25, 2018 MTHCD Board Meeting



Mark Twain Medical Health District

July 13, 2018

786 Mountain Ranch Rd

San Andreas CA 95249

Acct # 1320015660

I apologize for the charges that have been reflected on your last two statements. ($\$15.00 \times 2 = \30.00)

I have had them reversed and should reflect on your next statement.

Thank You,

Dwayne Garcia AVP
Community Branch Manager – Angels Camp
229 S Main Street
Angels Camp CA 95222
209-729-2501

Debbie and Board.

Thank you so very
much for allowing us
to represent you once
How Priceless! again this
year at the
Baeger

Thanks Tournament.

Such a good
cause and
we enjoyed it
very much.

Dianna
Winsky

Can't thank you
enough for providing
us an opportunity to
participate in such
a special event for
a great cause.
Donna Fippin

Debbie and the Board
Thank you so very
much for allowing
us to participate in a
wonderful cause/tournament.
It was great fun.
Jean Anderson

Many thanks to you
for your kindness.
We had a great
day! Sue Lyon

Dear Mark Twain
Health Care District,

I am Kalani
McKinley and I will be a
freshman in college. This laptop
will be used for homework or
assignments that I will have soon.
I want to thank you for this
scholarship it will help me through-
out college and I want to
be a labor and delivery nurse.
I am going to be a full time
student. I will try to work
to help with payments and
stuff like that.

P.S. I know this might be a
little weird of a request
but can you read this to the
whole District so they know how
much it means to me to be
getting this laptop

Kalani McKinley




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Finance Committee Meeting

Wednesday June 13, 2018

9:00 am

**Mark Twain Medical Center Education Center - Classroom 5
San Andreas, CA**

Un - Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

Ms. Atkinson, Treasurer, called the meeting to order at 9:04am

2. Roll Call:

Present for roll call was Ms. Atkinson, MSW and Ms. Radford, FNP.

3. Approval of Agenda: Action

Ms. Radford moved to approve the agenda. Ms. Atkinson provided her second and the message passed 2-0.

4. Public Comment On Matters Not Listed On The Agenda:

Hearing None

5. Consent Agenda: Action

A. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes for May 9, 2018:

B. Bank and Investment Statements:

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- **Bank of Stockton (4-30-2018):**

Dr. Smart: The Bank of Stockton hasn't had any activity but will when the VS Clinic Project begins.

Ms. Radford moved to approve the Consent Agenda. Ms. Atkinson provided her second and the motion passed 2-0.

6. Controller's Report: Action

- **Financial Status, Trends, Long-Term Views and Cashflow:**
- **May Financials Will Be Presented to The Committee:**
- **Financial Dashboard:**

Mr. Krieg: Reviewed the Financial Dashboard; MTMC had an operational loss of \$460K. The Balance Sheet reflects the District received an apportionment from the County Controller. He suggested the District develop a policy on expense and capitalization guidelines as it will be very important for the VS Clinic Project. Consulting costs are up as expected.

Dr. Smart: The first check from USDA will reimburse the District \$400k (+/-) for VS Clinic Project costs.

Mr. Malcoun: Will add another column to the List of Renters and Leases Schedule to reflect the percentage the rental contracts represent. He will also put legal costs on the dashboard.

Ms. Radford moved to approve the May Financials. Ms. Atkinson provided her second and the motion passed 2-0.

7. Treasurer's Report:

- **Investments Policy No. 22 Update:**

Ms. Atkinson: The Investment Policy No. 22 is complex. Moving forward the Committee wanted to select a Finance Committee Community Member and give that person time to review Policy No. 22 then to make a recommendation to the Board in July.

- **Recommendation to the Board:**
 - **Recommend Selection of Mark Smith as the Community Finance Member:**
Action

Ms. Atkinson: The Finance Committee along with staff and Mr. Krieg interviewed two for the Finance Committee Community Member position and was pleased with the outcome.

Dr. Smart: Was pleased with the two applicants and excited to see Mark Smith's qualifications.

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Ms. Radford: Moved to recommend Mr. Smith at the June Board meeting. Ms. Atkinson provided her second and the motion passed 2-0.

Dr. Smart: Received an invitation to meet with Jeff Kantor, Umpqua Bank. He will be scheduling a future meeting and ask if he can attend the July Finance Committee Mtg.

8. Executive Director’s Report:.....Dr. Smart

- **New Accounting Services and Discussion:**

Dr. Smart: The current lease has a provision for the District to pay for MTMC staff to do their accounting functions. With the new lease the District will have to secure other accounting options, so it has been placing want ads throughout the County with no response. Next, he will do a target RFP and circulate through CSDA.

- **Draft 2018-2019 Budget (last updated 5-22-2018):**

- **Recommendation to the Board – Action**

Dr. Smart: Referenced the summary pages as he answered questions regarding the draft 2018-2019 budget; the draft budget was a collaboration with input being gathered from all Board members. He and Mr. Krieg will work on assumptions to present along with the draft budget at the June meeting. This budget has consideration for hiring of some employees to work at the VS Clinic starting in March 2019.

Ms. Atkinson: Thought legal should be raised to \$60k.

Ms. Mills: The Chronic Program closed the program and didn’t use all the grant money.

Dr. Smart: Suggested the Capital Replacement Reserve be changed to read Designated Fund Reserve. These funds will be earmarked for specific future uses.

Mr. Krieg: Suggested \$7mill wasn’t enough in the Capital Replacement Reserve Fund and that the District should consider adding additional amounts annually.

Mr. Smith: Requested a Cash Flow Schedule, numbering of the report pages and for a comparison to be done.

Mr. Krieg: Will do a 2018-2019 budget comparison, make changes to the draft budget, do a narrative and forward to District staff to include in the June Board meeting materials.

Ms. Radford moved to recommend the draft budget including modifications and be presented to the Board. Ms. Atkinson provided her second and the motion passed 2-0.

9. Comment and Future Agenda Items:

Ms. Radford: Congratulated Dr. Smart for getting the word out about Measure A and for addressing the rumors.

Ms. Atkinson: Reminded everyone that due to scheduling the next meeting will not be on July 11th. It has been scheduled for July 12th at 1pm. July 11th will be a Special Board meeting to award the VS Clinic Bid.

10. Next Meeting:

- The next meeting will not be July 11th but instead will be **July 12, 2018 at 1pm.**

11. Adjournment: Action

Ms. Radford moved to adjourn the meeting at 11:07am. Ms. Atkinson provided her second and the motion passed 2-0.



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**Special Meeting of the Board of Directors
Wednesday June 20, 2018
8:00 am
Mark Twain Medical Center Classroom 5
768 Mountain Ranch Rd,
San Andreas, CA**

Un – Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The Meeting was called to order by Secretary, Ann Radford at 8:04am.

2. Roll Call:

Present for roll call was Ann Radford, FNP; Susan Atkinson, MSW; Debbie Sellick CMP and Talibah Al-Rafiq. Lin Reed, MBA OTR/L arrived after item number 4.

3. Approval of Agenda: Action

Ms. Atkinson moved to approve the agenda. Ms. Sellick provided her second and the motion passed 4-0.

4. Public Comment on matters not listed on the Agenda:

Hearing None.

5. Board Study Session:

- Brian Quint, Bond Attorney, COP’s Certificate of Participation for USDA Loan:

Dr. Smart: Introduced the two on the conference call as Gary Hicks, District Consultant for USDA Loan and Brian Quint, Bond Attorney. Hard copies of the COP information that have been reviewed by USDA and the District’s legal were made available.

Mr. Quint: Explained the need and usual business practices of Certificates of Participation (COP). In general, using COPs is a standard business practice to provide funds to build the VS Clinic. Low interest-rate bonds are sold allowing for a 30-year loan (to Aug 1, 2048) at 3.625% (fixed) and

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Minutes – June 20, 2018 MTHCD Board Meeting

managed through USDA; there is no pre-payment penalty; when draws are made on the funds four signatures are required i.e.; the contractor, the District, the Architect and USDA. The Board should expect to see two resolutions on their next agenda reflecting the usual COP process to fund the USDA Loan i.e.: (1) Resolution approving the execution and delivery of lease/leaseback transaction (2) Resolution approving lease financing documents to offer COPs. There will be notice in papers for a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing.

Mr. Quint: Will make himself available (by phone) for the June 27 Board Meeting and will be available after the transaction is completed as needed.

Mr. Hicks: Answering concerns of risk offered USDA carries the risk.

6. Drew Baker, Presenter for Granicus Technology:

Mr. Baker: Fairly new to the organization went over the features Granicus offers i.e.; technology to assist in the preparation of cloud-based meeting and agenda management; GovDelivery Network to keep audiences engaged; train-the-trainer training and iLegislate to assist in going “green” with a paperless system. Most sites offer a cloud base through Microsoft or Amazon Web services. The cost is \$7k year.

7. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

Ms. Radford: Would like to see iPads and Granicus be put on the June agenda for consideration.

Ms. Atkinson: Offered there is no budget item for iPads or Granicus.

8. Next Meeting:

- June 27, 2018

9. Adjournment: Action

Ms. Reed and Ms. Al-Rafiq had to leave the meeting before item number 7. Ms. Atkinson moved to adjourn the meeting at 9:56am. Ms. Sellick provided her second and the motion passed 3-0.



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Un- Approved Minutes

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

1. Call to order:

The meeting was called to order by President Lin Reed at 7:33am.

2. Roll Call:

Present for roll call was Lin Reed, MBA OTR/L; Ann Radford, FNP; Susan Atkinson, MSW; Debbie Sellick CMP and Talibah Al-Rafiq.

3. Approval of Agenda: Action

Ms. Atkinson requested item 8. C., Policy Updates, be changed to an action item.

Ms. Al-Rafiq moved to approve the amended agenda. Ms. Radford provided her second and the motion passed 5-0.

4. Public Comment on matters not listed on the Agenda:

Hearing none.

5. Consent Agenda: Action

A. Correspondence:

- Opioid Use - Coalition – Letter (May 24, 2018)
- Alondra Rodriguez Thank You (June 2, 2018 email)
- Calaveras County Fair – Laurie Giannini, CEO Thank You (June 15, 2018)

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

B. Un-Approved Minutes:

- Un-Approved Finance Committee Meeting Minutes – May 9, 2018
- Un-Approved Meeting Minutes May 23, 2018

Ms. Atkinson moved to approve the Consent Agenda. Ms. Al-Rafiq provided her second and the motion passed 5-0.

6. New Business:

A. USDA Loan:

Dr. Smart: All is on track for the \$5.6million USDA 30 year, Drawn-Down Loan. The interest rate is 3.625%. The first year is interest only payments.

B. TEFRA (Tax Equity and Fiscal Responsibility Act (1982) Public Hearing:

Ms. Reed Opened the meeting up for a public hearing so the public could address the TEFRA Resolution No. 2018-09. Hearing no public comments, the public hearing was closed.

C. **Resolution No. 2018 - 09:** TEFRA RESOLUTION APPROVING THE EXECUTION AND DELIVERY BY THE MARK TWAIN HEALTH CARE DISTRICT OF A LEASE/LEASEBACK TRANSACTION BY AND BETWEEN THE MARK TWAIN HEALTH CARE DISTRICT AND THE PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA:

Action by Roll Call Vote

Dr. Smart: Read (out loud) the first “WHEREAS” and Section 1. of **Resolution 2018-09**.

Ms. Radford moved to approve **Resolution 2018-09**. Ms. Sellick provided her second and a roll call vote was taken as follows:

Ayes: Ms. Radford, Ms. Atkinson, Ms. Sellick, Ms. Al-Rafiq and Ms. Reed; Noes: none; Abstentions None; Absent; none.

D. **Resolution 2018 -10:** Certificate of Participation – USDA Loan: RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO TO FINANCE CAPITAL PROJECTS AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO:

Action by Roll Call Vote

Dr. Smart: Referred to the June 20th Board Study Session regarding COP’s then read (outload) the first “WHEREAS” and Section 1 and Section 2 of **Resolution 2018-10** noting the location of the project mentioned in the resolution as “on the western edge of the District’s service area” now has an address of **51 Wellness Way**.

Ms. Reed called for public comments. Hearing none.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

Ms. Al-Rafiq moved to approve Resolution 2018-10. Ms. Atkinson provided her second and a roll call vote was taken as follows;

Ayes: Ms. Radford, Ms. Atkinson, Ms. Sellick, Ms. Al-Rafiq and Ms. Reed; Noes: none; Abstentions None; Absent; none.

E. iPads and Granicus Discussion:

Dr. Smart: Granicus was introduced at the June 20th Study Session as a method to deliver information i.e. Board pkts to the Board members.

Ms. Radford: Expressed the value in purchasing iPads for the Board members to reduce the use of ink, paper and staff time however there is no budget or use policy in place for expense.

Ms. Atkinson: Would prefer the District provide a device to avoid Board members using their personal devices which can be called for under the public records act. She would like to see funds added to the budget to cover the iPads.

Dr. Smart: There is no policy at this time to cover use, loss, repair etc. for District owned devices so he recommended referring this item to the Policy Committee. There is no budget for the expense, so he recommended it be sent to the Finance Committee for review.

F. CPPA Energy Efficiency Grant: Action

Dr. Smart: The CPPA grant application came in late Friday with a June 30 deadline. After his research and conversation with Chris Roberts, CFO he could see the merit of the project and added it to the agenda. He plans to pursue additional CPPA grant options.

Ms. Atkinson moved to approve. Ms. Sellick provided her second and the motion passed 5-0.

7. MTHCD Reports:

A. Presidents Report:

- Association of California Health Care Districts (ACHD):

Ms. Reed: Referred to the ACHD newsletter included in the Board pkt and sent legislative items for the Board to review; encouraged Board members to sign up to be on an ACHD committee; she currently serves on the Governance and Education Committees.

B. Executive Director Report:

Dr. Smart: Just returned from a CSDA conference and found it to be impressive. He went on a scholarship. Ms. Atkinson will be attending a CSDA leadership conference in July that was also funded through their scholarship program. At the July Board meeting he plans to show a short slide show on what the public thinks districts do.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

Dr. Smart: Has received the Stay Vertical Calaveras contract back from legal. Steve Shetzline is working on a logo and excited to begin the program.

- **Strategic Plan Matrix:**

Dr. Smart: “Develop Budget/Operational Plan for VS Rural Health Care” (item 5). Per Kelly Hohenbrink’s startup plan has started working with Cheryl Duncan, VP of the RHC Assoc. with 30yrs experience in the field.

Dr. Smart: “Explore Leasing Ancillary Functions from MTMC” (item 7). The Real Estate committee had an excellent 3-hr meeting, to be continued, on how to work together.

Ms. Reed: “Executive Committee” (item 31) thinks the District is getting busier so started the process to form an Ex. Committee to meet monthly starting in Aug.

Ms. Reed: “Behavioral Health” (item 39) plans to work with Ms. Sellick as the County cut the ‘train the trainer’ program which the District help fund. She’ll also check to see where the MTMC behavioral health committee meets.

Ms. Radford: Requested the Opioid Coalition be added (item 41) to the Matrix. She would like to work with Dr. Smart on this item.

- **ACHD Nomination:**

Dr. Smart: Has until July 13th to prepare the application to enter the District in the ACHD District of the year Award.

C. Corp. Board Report:

Ms. Reed: Attended the Corp. Board Finance Committee Meeting and reported May saw a loss of \$400k; the clinics saw improvement and new doctors are coming on board which will save the added cost of traveling doctors.

Ms. Atkinson: Reported the CEO’s appreciation of the success of Measure A; recruiting is on-going for Dir. of Surgery, Dir of Lab and Dir. of Facilities. Exit interviews are being conducted; there has been a spike in baby rattle snake bites causing for expensive non-reimbursable venom costs; a new surgeon Dr. Eldo Frezza, MD. Specializing in breast reconstruction, wound care and colon dissections and repairs just came on board from New Mexico; the hospital is number one of all Dignity facilities in cleanliness so a thank you to the EVS dept.; to save cost and be more efficient bridge plans are being added to the clinics;

Mr. Diehl: Marina Bowlin (Dir. of Clinic Operations) has been on board a month and just completed 1 ½ days training for 60% of the staff on a shared vision for the clinics.

Ms. Atkinson: Requested staff send a thank you to the Measure A endorsers.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

8. Committee Reports:

A. Finance Committee:

- **Financial Update:**

Mr. Krieg: Revenues were par with budget; expenses were below budget by \$13k; the District's Minority Interest decreased by 217k.

- **Recommendation - Approval of May 2018 Financial Statements:** Action

Ms. Radford moved to approve the financial statements. Ms. Sellick provided her second and the motion passed 5-0.

- **Pending Accounting Services RFP & Extension of Current Services:**

Dr. Smart: As the District transitions from a hospital district to a Community District new accounting services will be needed. Nothing has transpired from local ads. He will be looking to ACHD and CSDA for services.

- **Finance Committee - Community Member:**

Ms. Atkinson: Two applications were received and with the help of Ms. Radford, Dr. Smart and Mr. Krieg interviews were conducted. The interview committee would like to recommend adding Mark Smith as a voting member to the Finance Committee.

- **Recommendation to Nominate Mark Smith to the Finance Committee.** Action

Ms. Radford moved to approve inviting Mr. Smith to the Finance Committee. Ms. Sellick provided her second and the motion passed 5-0.

Dr. Smart: Welcomed Mr. Smith saying he was excited to have another resource for the Finance Committee as well as the entire Board.

- **Budget for FY 2018-2019:** Action

Ms. Atkinson: Thanked Dr. Smart and Mr. Krieg for the budget assumptions as they were very helpful.

Dr. Smart: Had three recommendations for budget revisions; (1) adding \$5k for upkeep for the Child Advocacy Program (rental) property (737.01) (2) adding \$10k for the consideration of purchasing iPads (740.89) (3) stems from the CSDA training he just attend. At that training he did a poll and learned more than 50% of districts, he queried, have a stipend policy to reimburse board members for meetings they attend. This Board is a "working" Board so a stipend is easily defensible, so he'd like to suggest adding \$6k to the budget under a new line-item.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

Ms. Reed: Would like to see the Ad Hoc Policy Committee work on a stipend policy that would attract future Board members as well as being a “place-holder” since legislation is leaning in the direction of capping such items.

Ms. Atkinson moved to approve the budget including Dr. Smart’s three recommendations. Ms. Sellick provided her second and the motion passed 5-0.

B. Ad Hoc Ballot Education Committee:

Ms. Reed: The Measure A task is done so the Committee has transition back to being an Ad Hoc Lease Committee reviewing and finalizing the new lease documents.

C. Ad Hoc Policy Committee: Action

Ms. Atkinson: Along with Ms. Al-Rafiq meet monthly to review the District’s policies.

• **Policy Updates - Policies 1, 3, 9 and 10:**

○ **Policy Number 1 - Mission and Vision:**

Ms. Reed: Asked the Board to review Goal No. 6 on Policy No. 1 (pkt. pg. 66) which goes back to 2015. All agreed the word should be changed to read “assess” not “access”.

○ **Policy Number 3 - Term of Office:**

○ **Policy Number 9 - Topics for Discussion at Board Meetings:**

Ms. Reed: The Policy can be passed as it is and a procedure on how to submit something to be put on the agenda can be added later. The Policy Committee agreed to re-visit this issue sometime this year.

○ **Policy Number 10 - Conduct of Meetings:**

Dr. Smart: Policy No. 10 (first line) should read “preside” instead of “reside”.

Ms. Radford moved to approve the Policies as amended. Ms. Sellick provided her second and the motion passed 5-0.

D. Ad Hoc Real Estate:

• **Update on Valley Springs Clinic:**

○ **Name the Valley Springs Clinic:**..... ..Dr. Smart

➤ **Valley Springs Health and Wellness Center: Action**

Ms. Stout: After receiving many name suggestions from the Board and the community the “Valley Springs Health and Wellness Center” was overwhelming preferred.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

Ms. Radford moved to approve the name of “Valley Springs Health and Wellness Center” for the new clinic. Ms. Atkinson provided her second and the motion passed 5-0.

- **Project Manager:**

Dr. Smart: The plans have been signed off and the permit will be issued when a contractor is selected. The bids will be opened July 3rd. A Special Board Meeting will be held on July 11th at 7:30 am to award the bid to the successful bidder. He’ll be doing a press release about the plans for an Aug. 16th Groundbreaking Ceremony (no agenda required).

- **Opinion of Probable Costs:**

Mr. Krieg: Some \$64k was added to the OPC. The total included \$43 to Aspen St. Architect, \$11k to the Project Mgr. \$11k to Gray Hicks, USDA Loan Consultant and the rest to legal fees.

Dr. Smart: The first loan draw was submitted (for Aug 1st) for approx. \$527k.

- **Update on VS Property - Phase II:**

Ms. Al-Rafiq: The Welbe Health project is behind schedule and looking to open in Aug. This project is in partnership with Sutter. They are not interested in a second project. She will continue to check in to set up the tour.

- **SLF Feasibility Study Update:**

Dr. Smart: Ron Regan is a developer with 5 different senior living facilities. He also does market and feasibility studies. The District contracted with him (\$1,500) to do a study for the VS area. The District has received the study (45 pgs.) and it is very nicely done. Senior living is very doable in the VS area. Mr. Regan will present and answer questions at the July Board meeting.

9. Board Comment and Request for Future Agenda Items:

A. Announcements of Interest to the Board or the Public:

Ms. Radford and Ms. Sellick plan to visit grant recipients i.e. funds provided for the County Fair to purchase AED's.

10. Next Meeting:

A. July 11, 2018 and July 25, 2018

11. Closed Session:

A. Conference with Real Property Negotiators (Govt. Code section 54956.8). Property: Mark Twain Medical Center, 768 Mt. Ranch Road, San Andreas, CA. Agency Negotiator: Lin Reed, President Chair of the Board. Negotiating parties: Mark Twain Medical Center, Inc.; Dignity Health, Inc.; Under negotiations: Price and Terms of Lease.

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Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

B. Public Employee Performance Evaluation (Govt. C. sec. 54957). Title: Executive Director.

12. Reconvene to Open Session:

A. Report of Action taken (if any) in Closed Session: No reportable action was taken in Closed Session

Ms. Al-Rafiq moved to approve a 5% salary increase, effective 6-27-2018, for the Executive Director based on his annual Employee Performance Evaluation. Ms. Atkinson provided her second and the motion passed 4-0 with Ms. Reed absent.

13. Adjournment: Action:

Ms. Atkinson moved to adjourn the meeting at 9:38am. Ms. Al-Rafiq provided her second and the motion passed 4-0 with Ms. Reed absent.

This Institution is an Equal Opportunity Provider and Employer

Minutes – June 27, 2018 MTHCD Board Meeting Approved _____

July 2, 2018

Mark Twain Health Care District
Board of Directors
P.O.Box 95
San Andreas, CA 95249

MTHC Board of Directors,

In the current draft of the Definitive Agreement, the Schedules & Exhibits section lists 3 "additional premises" that MTMC has leased since the 6th Amendment: 700 Mountain Ranch Road, 702 Mountain Ranch Road, and a small storage building behind 702. The storage building is included in the 702 lease, therefore there really are only 2 additional premises.

Please amend the Schedules & Exhibits to list only 2 "additional premises."

Very truly yours,



Bob Diehl
President & CEO

ACHD Advocate

In this edition

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- [Become a Member of CAPP Today](#)
- [2018 Calendar of Events is now on ACHD.org](#)

From the Desk of Ken Cohen, Executive Director

This month Howard Salmon, Chair, ACHD Board of Directors, Sheila Johnston, Vice President, Member Relations, and I had the opportunity to attend an educational workshop sponsored by the California Society of Association Executives (CaSAE), focused on Board and Executive Relationships. According to CaSAE, the relationship between the Board and Chief Executive Officer is the single largest indicator of an organizations operating culture. The levels of mutual accountability, respect for these key positions, and clarity of expected outcomes will either, create a leveraged partnership to advance the organization, or create a state of confusion and potential chaos. This was a wonderful workshop that created an opportunity for Board Chairs and CEOs to spend a day discussing their relationship and identify useful tools and materials to advance their working relationship. The course content included several elements of the new book, "Transformational Governance" published by CaSAE and The Third Sector Company. I would encourage our Healthcare District CEOs and Board Chairs to consider attending a similar workshop that helps cultivate a healthy working relationship between the Board, Board Chair and CEO, and find relevant tools to help facilitate an enhanced relationship. This was one of the better educational sessions that we have attended. At the end of the day, we were all enthusiastic and highly motivated to move forward with the tools and materials provided.



ACHD membership invoices were mailed this past week; we encourage all of our Members to actively participate with your Association and to continue to be engaged during this new year. You can be active in our committees, become a Certified Healthcare District, renew your certification, and take advantage of our advocacy and educational programs which occur throughout the year.

Independence Day (July 4th) is a great day for our country and I salute the people whose sacrifices have made this possible. Let each one of us make a promise, that as long as we live, we will be good citizens of our country in the best of our capabilities and we will help America grow into a better nation with each passing day.

Special Note

Amber King, Vice President, Government Affairs, will be on maternity leave through mid-July. In her absence please use the following contact information for the Advocacy Team:

- Kelly Brooks, HBE: (916) 272-0011, or kbl@hbeadvocacy.com
- Jean Hurst, HBE: (916) 272-0010, or jkh@hbeadvocacy.com

For Association related questions, please contact Sheila Johnston, Vice President, Member Relations & Administration, at (916) 266-5208, or sheila.johnston@achd.org.

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Trustee Spotlight: Candy O'Donel Browne, John C. Fremont Healthcare District

In an effort to show our appreciation to Healthcare District Leaders, ACHD will begin highlighting the invaluable contributions of Trustees in their community. We recognize that the work and passion of our Trustees often go unrecognized and it is our goal is to share the positive impacts Trustees make in their communities.



What inspired you to run for a seat on the Healthcare District Board?

My husband, Neal O'Donel-Browne, came from an Irish medical family. He joined the Board of Directors of the John C. Fremont Healthcare District in 1992. He also served on the ACHD Board of Directors. In fact, his last day on this earth was spent at an ACHD Board meeting in Sacramento. He died in 1999. When they let me have a few private moments with him in the emergency room he helped to build, I wondered, "Who will take care of me now? Who will keep the hospital going?" Well sometimes if you want to get something done you just have to do it yourself. Four years later, I joined the John C. Fremont Healthcare District Board of Directors. That was 15 years ago. I consider our family's contribution to the hospital our most important family project.

What is one accomplishment that you and the Board have implemented that you are most proud of?

John C. Fremont Healthcare District is most proud of our colossal financial turnaround, thanks largely to our former Chief Financial Officer, who is now our Chief Executive Officer, Matthew Matthiessen. California law requires that our hospital, and many others, seismically retrofit our hospital to withstand and remain operational should an earthquake happen by the year 2030. Thanks to the efforts of our Board and Chief Executive Officer, we are now operating in the black and establishing a strong enough financial picture to undertake this unfunded state mandate.

What is unique about your District and the constituents you serve?

I'm proud to say that our District includes Yosemite Valley! We operate a tiny Critical Access Hospital in the Sierra foothills. We serve a local population of less than 18,000 people, and we provide a temporary safety net to 5 million visitors. Our clinics bring medical services close to home, and our emergency department is absolutely essential to the well-being of all these people.

What is a goal you hope to achieve for your District during your tenure?

I am determined to build a seismically safe hospital building by 2030. I'm excited to say that our entire Board of Directors is actively engaged in a process of self-education on hospital construction. We are truly excited about this project and opportunity.

How has being a part of ACHD helped you as a leader, your District, residents and the community?

ACHD is the central entity that distributes information garnered from other Districts along with state and nationwide trends in healthcare. ACHD provides a place where ideas for best practices can be exchanged. Running a District can be somewhat isolating, especially in a rural area. Board members who gain knowledge from participation in ACHD activities can make more informed board decisions. That ultimately leads to better outcomes for our individual communities.

What advice or encouragement would you give someone considering running for the Healthcare District Board?

If someone tells you board membership only requires attending monthly board meetings and occasional committee participation, don't listen. Serving on a Healthcare District Board requires a major investment of time and energy. In many ways, the hospital becomes your second family. I would even go so far as saying it becomes part of your identity. When the District is successful you know you have been successful as a Trustee.

When not serving your community, what do you like to do in your free time?

I serve on several other boards and committees, each of which contributes to the well-being of my community from a different perspective. My other interests include homelessness, housing, domestic violence, economic development, tourism, transportation and local planning. I'm driven to watch my community grow and thrive. I can honestly say that board service is my hobby. When I'm not busy with all this, my family gives me great pleasure.

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Legislative Update

Advocacy in Action:

The ACHD Advocacy Team continues to engage with legislation that may impact Healthcare Districts this year. July 6 marks the deadline for policy committees to hear all measures in the second house, before they adjourn for Summer Recess. When the Legislature returns in August, bills will face a fiscal committee deadline of August 17. You can view our current Legislative Reports [here](#). Additionally, you can view committee hearings and floor sessions on [CalChannel](#).

SB 538:

ACHD continues to focus on [SB 538 \(Monning\)](#) which addresses hospital contracting, including prohibitions on specific provisions in contracts which would impact Healthcare Districts. While the measure was amended to no longer apply to small and rural hospitals that are not affiliated with a non-governmental hospital, ACHD continues to oppose the bill as it moves through the Assembly.

AB 2019:

ACHD remains focused on [AB 2019 \(Aguiar-Curry\)](#), which includes a number of items relating to Healthcare Districts. The measure was approved by the Senate Governance & Finance Committee on a 5-1 vote on June 20 and will next be heard in the Senate Appropriations Committee. ACHD continues to work closely with the author's office on a final amendment, that, when amended into the bill, will represent the last component of our negotiations.

2018-19 Budget:

The California State Budget was signed on June 27. The budget includes investments in education, homelessness and deep poverty. The budget also includes overall reserves in the amount of \$15.9 billion, \$13.8 billion of which includes a fully funded Rainy Day Fund.

The final budget package does not include the Governor's proposal to eliminate the use of 340B drug rebates in the Medi-Cal program. The Budget Conference Committee voted to set aside \$1.02 billion in Proposition 56 revenues and will develop an expenditure plan to include in a budget trailer bill before the month's end.

The Legislature adjourns its two-year session on August 31, at which time the Governor will have until September 30 to sign or veto these bills.

ACHD continues to advocate on bills as they approach their committee and floor deadlines and will keep a close eye out for last-minute legislative changes that impact healthcare districts.

*Reminder: Amber King, Vice President, Government Affairs, will be on maternity leave through July. In her absence please contact [Sheila Johnston](#), Vice President, Member Relations & Administration.

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ACHD Webinar Education Series

Our June Webinar series was a huge success! This month, Jean Hurst and Kelly Brooks, of Hurst Brooks Espinosa presented on the California State Budget and legislative measures of utmost importance to the Healthcare Districts. If you missed this webinar and would like to access a recording, please click [here](#).

ACHD will host the next installment of our [Webinar Education Series](#) on July 19, 2018, at 1:30 pm and will focus on an Overview of Clinics: Reimbursement, Funding and Management. Clinics play an important role in the health of communities and create access to care in non-hospital settings. Depending on location, clinics can be the only source of care.

In order to help Districts, assess the efficiency of clinics and gain a greater understanding of starting clinics, ACHD has invited Steven Rousso, Partner with Wipfli CPAs and Consultants and Clinic Expert, to present on the following topics as they relate to managing clinics in California:

- Define the various types of clinics Districts can operate and the benefits of each type of clinics
- Highlight differences between FQHCs and RHCS
- Explain the co-applicant model for districts to develop FQHCs
- Highlight regulatory changes that will affect Clinics in the coming year;
- Provide resources for starting Clinics within your District's boundaries.

Our webinar will be a great opportunity to expand your knowledge of the Clinic Environment in California.

To register for the event, click [here](#).



Please contact [Sheila Johnston](#) with any questions.

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In Case You Missed It... Healthcare District News from Around the State



Calaveras voters approve Mark Twain Health Care District measure

Voters in Calaveras County are favor of their local hospital and its clinics entering a new 30-year lease with Dignity Health, the fifth-largest health system in the nation and the largest hospital provider in California, according to early election results Tuesday night. To read the full article, click [here](#).

Sierra Expeditionary Learning School students bring better world day to Tahoe Forest Health System

Sierra Expeditionary Learning School students bring better world day to Tahoe Forest Health System. To read more, click [here](#).

Morongo Basin Healthcare District's Split Rock location moves toward renovation

The Morongo Basin Healthcare District has big plans for its Split Rock facilities including growing pediatric medicine services and boosting educational programs. Click [here](#) to read more.

Fallbrook Regional Health District Grows Affordable Health Services 15% for Low, Fixed Incomes

Fallbrook Regional Health District board at the regular board meeting on June 13 approved \$910,416 in affordable public health service contracts for 16 applicant agencies providing 20 health-related programs. To read the full article, click [here](#).

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Wellness Summit Now Open for Registration!

There is still time to register for ACHD's Wellness Summit!

Taking place July 26th in Sacramento, Wellness Summit will feature leaders in public health who will present on topics ranging from mental health prevention, employee burnout and community health models to increase public health. To learn more about our Wellness Summit and to register for this one-day event, [click here](#).



Healthy You: Healthy Community!

To read more about the Wellness Summit, [click here](#).

For more information, contact [Sheila Johnston](#).

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Annual Meeting Registration is Open!



Annual Meeting is a great opportunity to network with your peers and learn how your District can Evolve Through Innovation. Our [66th Annual Meeting](#) will be hosted at the [Cliffs Resort](#) in Pismo Beach on September 12 - 14, 2018.

Our sessions this year will cover a variety of topics, ranging from Social Determinants of Health, Seismic Retrofitting, Children's Health, Emotional Health, Utilizing Technology to increase Access to Health, and Behavioral Health Policy. We will also host a CEO Roundtable and energy breaks! We have designed many breakout sessions to cater to Districts operating hospitals and Districts that focus on community health.

During Annual Meeting, Districts will hear from a variety of industry experts. These experts will encourage your Districts to think about innovative solutions that can be applied in all health care settings. ACHD will also present the many ways we are embracing innovation and will highlight our enhanced Certification Program during the State of the Association.

ACHD will highlight the Innovate initiative of Healthcare Districts and encourage Districts throughout the conference to think about initiatives you can implement based on the needs of the community. Our conference will inspire innovation for every member of your Healthcare District.

Is your District ready to think outside the box? Be sure to register today for Annual Meeting. We hope to see you there!

For more information about Annual Meeting, click [here](#). To register for Annual Meeting, click [here](#).

Contact [Sheila Johnston](#) with any questions.

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Become a Certified Healthcare District, Today

The Association of California Healthcare Districts (ACHD) is leading the way for Healthcare Districts to play a major role in the transformation of California's evolving health care landscape by helping them meet the changing needs of their local communities.

As public entities and as leaders in health, Healthcare Districts have well defined responsibilities for serving the public, adapting to their health care needs and conducting business in a manner that is open and transparent - a role that only Healthcare Districts can fill.

To assist ACHD Members in demonstrating their commitment to exemplary compliance in meeting the health and governance needs of the public, ACHD has developed a core set of standards, referred to as Best Practices in Governance. Healthcare Districts that show their voluntary compliance with these practices are eligible to be designated by ACHD as a Certified Healthcare District. To learn more about this program, [click here](#).

Please contact [Sheila Johnston](#) with any questions.

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Become a Member of CAPP Today



The Association of California Healthcare Districts (ACHD) is a member of Californians Allied for Patient Protection (CAPP), the coalition created to protect access to health care through California's Medical Injury Compensation Reform Act (MICRA). ACHD continues to strongly support the preservation of MICRA.

In 2014, California voters definitively rejected Proposition 46, an attempt by the trial lawyers to quadruple MICRA's non-economic damages cap. Had this ballot measure passed, California would have seen higher health care costs and decreased access to care, especially among vulnerable populations who are most in need. Despite this victory, the battle to protect MICRA continues.

ACHD is strongly urging its members to individually become supporters of the CAPP coalition.

There is **no cost** to be a member of CAPP, and you will be in good company. Seven out of 10 Board Members are already CAPP members, with more than 1,000 other organizations representing community clinics, hospitals, physicians, nurses, EMTs, labor unions, local governments, dentists and other health care providers. A complete coalition list can be found on the CAPP website at www.micra.org.

As a CAPP member, you will receive quarterly newsletters with updates on legislative activities concerning MICRA and direct access to the CAPP staff to be your one stop resource on MICRA. Additionally, CAPP holds events for legislators in their legislative district and CAPP members are invited to attend free of cost.

Please take a moment to complete and return the [CAPP Coalition Sign-Up Form](#). Thank you for endorsing this important organization and its goal to preserve MICRA.

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2018 Calendar of Events is on ACHD.org

ACHD is pleased to announce that our events for 2018 are now loaded on our website! Our calendar features committee and Board meetings, and all educational events for the entire year. To access our calendar, [click here](#) and once you find an event, simply click on the event title to save the event into your calendar.

For more information, contact [Sheila Johnston](#).



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About ACHD:

The Association of California Healthcare Districts (ACHD) represents Healthcare Districts throughout the state. The Association serves the diverse needs of California's Healthcare Districts by enhancing public awareness, training and educating its members and advocating for legislation and regulatory policies that allow Healthcare Districts to deliver the best possible health services to Californians. Learn more at achd.org.

Resources

[Legislative Reports](#)

[ACHD Message](#)

[Certified Healthcare District](#)

[Board Self-Assessment Tool](#)

[CEO Evaluation](#)

[Californians Allied for Patient Protection](#)

Connect with ACHD on social media



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Sent by sheila.johnston@achd.org in collaboration with



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Mark Twain Health Care District Strategic Matrix 2018

	A	B	C	D
1	Strategic Action Item			
2		Person Resonsible	Expected Date	Completed
3				
4	Valley Springs RHC	Real Estate Com		
5	Develop Budget /Operational Plan for VS RHC 1206B	Smart		
6	Electronic Medical Records linked to billing & compatibl	Smart		
7	Explore leasing ancillary functions from MTMC	Smart		
8	Gantt Chart From Walter	Smart		3/12/2018
9	Physical Address (Pending Name for Access Street)	Stout		6/14/2018
10				
11				
12	MTHCD Public Image and Communication			
13	District Name Change			
14	Public Relations Strategy			
15	In-Kind Funding			
16	Doodle Scheduling On-Line	Stout		4/28/2018
17	Explore Options as District "convener" of County Care			
18				
19	Accounting Service	Finance Comm		
20	Plan/Contract for New District Accounting Services		May Agenda	
21	Written Plan for reserve accounts (ex. Seismic Retrofit)	Smart & Krieg		
22	Storage boxes	Smart		
23	Financial Report Dashboard	Kreig		
24				
25	District Records			
26	Fine-Tune District Records Disaster Plan	Stout & Computer		
27	Develop Record retention plan (state law) Attny	Policy Committee		
28	District Records-Back UP	Stout		6/14/2018
29				
30	Committee Structure	Reed		
31	Executive Committee			
32	Community Advisory Committee			
33				
34	Phase II Development	Al-Rafiq		
35	Pace Program - Welbe Health - July Open House Set up	Al-Rafiq		
36				
37				
38	Explore Potential Partnerships in County	Sellick & Reed		
39	Behavioral Health-Proposal to Follow	Sellick & Reed		
40	Veterans - On Hold	Atkinson & Radford		6/5/2018
41	Opioid Coalition	Radford & Dr. Smart		
42				
43				
44				
45				



July 9, 2018

Dear Tenant:

The purpose of this letter is to inform you that the building you occupy has been sold.

Nylen Properties Corp. has been retained to manage the property for the new owner.

It is our goal to make this change in ownership as seamless as possible and to provide you with the level of service you deserve.

None of the lease terms will be modified except for the payee and location for your lease payments.

Please make all future payments to:

Arnaudo Bros., L.P.
3439 Brookside Road
Suite 104
Stockton, CA 95219

Our contact information is as follows:

Nylen Properties Corp.
3439 Brookside Road
Suite 104
Stockton, CA 95219
(209) 951-5787

Jim Nylen – jnnylen@nylenproperties.com
Juanita Dutra, Administrative Assistant – juanita@nylenproperties.com

Thank you in advance for your cooperation.

I will be making a property visit in the near future to introduce myself.

Regards,

James P. Nylen, President
Nylen Properties Corp.



P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2537 Fax

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (this “Agreement”) is made on June ____, 2018 by and between Mark Twain Health Care District, a political subdivision of the State of California (“Client”), with a principal place of business at 768 Mountain Ranch Road, San Andreas, California 95249, and Murphys Senior Center, a California nonprofit public benefit corporation (“Contractor”), with a principal place of business at 65 Mitchler Avenue, Murphys, California 95247.

ARTICLE 1. TERM OF CONTRACT

1.01. This Agreement will become effective on June 27, 2018 and will continue in effect for a period of one year thereafter with automatic one-year extensions, unless terminated sooner as provided in this Agreement.

ARTICLE 2. SERVICES TO BE PERFORMED BY CONTRACTOR

Specific Services

2.01. Contractor agrees to perform the services specified in the “Description of Services” attached to this Agreement as Exhibit A and incorporated into this Agreement by reference for the development of the fall prevention program, Stay Vertical, Calaveras. The contact person at Client shall be Dr. Randall Smart, M.D.

Method of Performing Services

2.02. Contractor will determine the method, details, and means of performing the above-described services. Client will not train Contractor on any aspect of the job.

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Status of Contractor

2.03. Contractor enters into this Agreement, and will remain throughout the term of this Agreement, as an independent contractor. Contractor agrees that neither it, nor its employees will become an employee, partner, agent, or principal of Client while this Agreement is in effect. Contractor agrees the neither it nor its employees is entitled to the rights or benefits afforded to Client's employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave, or any other employment benefit. Contractor is responsible for providing, at its own expense, disability, unemployment, and other insurance, workers' compensation, training, permits, and licenses for itself and for its employees and/or subcontractor.

Payment of Income Taxes

2.04. Contractor is responsible for paying when due all income taxes, including estimated taxes, incurred as a result of the compensation paid by Client to Contractor for services under this Agreement. On request, Contractor will provide Client with proof of timely payment. Contractor agrees to indemnify Client for any claims, costs, losses, fees, penalties, interest, or damages suffered by Client resulting from Contractor's failure to comply with this provision. . The Contractor's obligations under this Section 2.04 shall survive the expiration of the term or earlier termination of this Agreement.

Use of Employees or Subcontractors

2.05. Contractor may, at Contractor's own expense, use any employees or subcontractors as Contractor deems necessary to perform the services required of Contractor by this Agreement. Client may not control, direct, or supervise Contractor's employees or subcontractors in the performance of those services.

ARTICLE 3. COMPENSATION

3.01. Client agrees to pay Contractor the fees and expenses set forth in Exhibit B, attached hereto and made a part hereof.

ARTICLE 4. OBLIGATIONS OF CONTRACTOR

Non-Exclusive Relationship

4.01. Contractor may perform services for, and contract with, as many additional clients, persons, or companies as Contractor, in its sole discretion, sees fit.

Time Place and Manner of Performing Work

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4.02. Contractor will perform the services under this Agreement at any location Contractor desires within Calaveras County, California.

Tools, Materials, and Equipment

4.03. The Contractor will provide all tools, equipment and supplies necessary to perform the services hereunder.

Workers' Compensation

4.04. Contractor agrees to provide workers' compensation insurance for him/herself and his/her employees and agents and agrees to hold harmless and indemnify Client for any and all claims arising out of any injury, disability, or death of any Contractor or any of his/her employees or agents.

Liability Insurance

4.05. Contractor agrees to maintain a policy of commercial general liability insurance with deductibles and limits of liability reasonably acceptable to Client to cover any negligent acts or omissions committed by Contractor or Contractor's employees or agents during the performance of any duties under this Agreement. Such insurance coverage shall be in form reasonably acceptable to Client and shall name Client as an additional insured. Contractor shall provide evidence of insurance reasonably acceptable to Client prior to this Agreement becoming effective and at any time during the term of this Agreement upon reasonable prior written notice to Contractor. The insurance required to be carried by Contractor hereunder may only be cancelled or materially modified upon not less than thirty (30) days prior written notice to Client. Contractor further agrees to indemnify and hold Client free and harmless (including the payment of attorney's fees) from any and all claims arising from any such negligent acts or omissions. The obligations of Contractor in the previous sentence shall survive the expiration of the term or earlier termination of this Agreement.

Contractor's Qualifications

4.06. Contractor represents that it and its employees have the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of Client. This means Contractor is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. Contractor has complete and sole discretion for the manner in which the work under this Agreement will be performed.

Indemnity

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4.07. Contractor agrees to indemnify, defend, and hold Client free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs, that Client may incur as a result of the negligent performance of any services hereunder by Contractor or the breach by Contractor of any representation or agreement contained in this Agreement. The Contractor's obligations under this Section 4.07 shall survive the expiration of the term or earlier termination of this Agreement.

Compliance with Client's Policies and Procedure

4.08. Contractor agrees to comply with all of Client's policies and procedure applicable to the services being performed by Contractor and, and as may be required of Contractor given that Client operates a licensed acute care hospital.

Assignment

4.09. Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Contractor without the prior written consent of Client.

ARTICLE 5. OBLIGATIONS OF CLIENT

Cooperation of Client

5.01. Client agrees to comply with all reasonable requests of Contractor and provide access to all documents reasonably necessary to the performance of Contractor's duties under this Agreement.

Assignment

5.02. Neither this Agreement nor any duties or obligations under this Agreement may be assigned by Client without the prior written consent of Contractor, except that Client may assign this Agreement to an entity which is either partially or wholly owned by Client without the prior written consent of Contractor.

ARTICLE 6. TERMINATION OF AGREEMENT

Termination on Notice

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6.01. Notwithstanding any other provision of this Agreement, either party may terminate this Agreement at any time by giving sixty (60) days' written notice to the other party.

Termination on Occurrence of Stated Events

6.02. This Agreement will terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of either party.
- (b) Sale of the business of either party.
- (c) Death of either party.
- (d) Assignment of this agreement by Contractor without the consent of Client.

Termination for Default

6.03. If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Client's failure to pay Contractor any compensation due within thirty (30) days after written demand for payment.
- (b) Contractor's failure to complete the services specified in the Description of Services.
- (c) Contractor's material breach of any representation or agreement contained in Paragraph 4.06 hereof.
- (d) Client's material breach of any representation or agreement contained in this Agreement.

Post Termination Obligations

6.04. In the event of a termination of this Agreement for any reason, any unused expenses and/or any fees received by Contractor prior to such termination which are attributable to any services to be provided hereunder post termination shall be promptly returned to Client and neither party shall have any further obligations to the other party hereunder except for any obligations which by their express terms survive the termination of this Agreement.

ARTICLE 7. CONFIDENTIAL INFORMATION

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7.01 During the term of this Agreement, Contractor will have access to and become acquainted with confidential information and trade secrets of Client including information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data (collectively, “**Trade Secrets**”). All Trade Secrets are the property of Client and used in the course of Client’s business, and shall be proprietary information protected under the Uniform Trade Secrets Act. Contractor shall not disclose to any person or entity, directly or indirectly, either during the term of this Agreement or at any time thereafter, any Trade Secrets, or use any Trade Secrets other than in the course of providing the Services under this Agreement. All documents that Contractor prepares, or Trade Secrets that might be given to Contractor in the course of providing the Services under this Agreement, are the exclusive property of Client and, without the prior written consent of Client, shall not be removed from Client’s premises.

ARTICLE 8. GENERAL PROVISIONS

Notices

8.01. Any notices required to be given under this Agreement by either party to the other may be effected by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses appearing in the introductory paragraph of this Agreement, but each party may change the address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the fifth day after mailing.

Entire Agreement of the Parties

8.02. This Agreement supersedes any and all agreements, either oral or written, between the parties with respect to the rendering of services by Contractor for Client and contains all of the representations, covenants, and agreements between the parties with respect to the rendering of those services. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not contained in this Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding. Any modification of this Agreement will be effective only if it is in a writing signed by the party to be charged.

Partial Invalidity

This Institution is an Equal Opportunity Provider and Employer

8.03. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Arbitration

8.04. Any controversy or claim arising out of or relating to this Agreement or the breach of the agreement will be settled by arbitration in accordance with the rules of the American Arbitration Association. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction over the award.

Attorneys' Fees

8.05. If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Governing Law

8.06. This Agreement will be governed by and construed in accordance with the laws of the State of California with venue in Contra Costa County.

Compliance with Laws

8.07. Contractor shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments, including without limitation laws that require Contractor to disclose any economic interest or relationship with Client and all applicable accreditation standards.

Execution in Counterparts

8.08. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

Compliance with Medicare

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8.09. To the extent required by law or regulation, Contractor shall make available, upon written request from Client, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement and Contractor's books, documents and records to the extent necessary to certify the nature and extent of Client's costs for services provided by Contractor. Contractor shall preserve and make available such books, documents and records for a period of seven (7) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Client of the nature and scope of such request, and Contractor shall make available, upon written request of Client, all such books, documents or records. Contractor shall indemnify and hold harmless Client if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. If Contractor carries out any of the duties of the contract through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary of Health and Human Services, or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

Executed at, _____, California, on _____

CLIENT:

Mark Twain Health Care District

By: _____

Name: _____

Title: _____

CONTRACTOR:

Murphys Senior Center

By: _____

Name: _____

Title: _____

EXHIBIT A

DESCRIPTION OF SERVICES

Program Purpose: Contractor shall create a countywide fall prevention program (“Stay Vertical, Calaveras”) for older adults in Calaveras County, California which provides exercise to increase strength, balance, flexibility and confidence. Stay Vertical, Calaveras will be based on two exercise programs endorsed by the National Council on Aging: “Tai Chi for Arthritis” and “A Matter of Balance”. Contractor will use the “Tai Chi for Arthritis” program in its entirety, including formal trainings and exercises. Contractor will not be required to use the “A Matter of Balance due to its exorbitant training costs, but will however include many of the same exercises, methods and preparation.

Evaluation:-This is a community development program, anecdotal data will be presented to Client’s Board of Directors every month as provided below, in addition participant numbers and total classes will be compiled and reported to Client. Contractor will also attempt to glean comparable hospital data for Mark Twain Medical Center patients who have had falls.

Measurable Objectives:

By June 29, 2019 Stay Vertical, Calaveras will create four (4) fall prevention programs throughout Calaveras County, California.

By June 29, 2019 Stay Vertical, Calaveras will recruit and train ten (10) new exercise instructors in Calaveras County, California.

By June 29, 2019 Stay Vertical, Calaveras will provide at least six hundred (600) exercise classes in Calaveras County, California.

Program Milestones:

Press Release focusing on Board with new communities.	Immediately
Job/Volunteer recruitment for exercise trainers	Immediately
Meetings with prospective communities (Board PR picture)	July 1, 2018
Instructor Training (very important, Board attendance)	Summer of 2018
Grand Unveiling, on National Fall Prevention Day (MOST IMPORTANT, all Board members)	September 22, 2018
Quarterly Program Meetings	As needed

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Sustainability: Communities will be expected to fund the exercise classes on their own. Program staff, community leaders and instructors will develop a comprehensive sustainability intervention for this project.

Evaluation: Contractor will cause each class to produce sign in sheets which will allow Contractor to track the total number of participants and number of classes. An anecdotal record will be kept for each community involved in Stay Vertical, Calaveras. These will be included in the final annual written report for Client's Board of Directors. In addition, Stay Vertical Calaveras will use commercially reasonable efforts to partner with Dignity Health to garner available hospital data involving ER discharges, provider referrals and hospital discharges.

Reporting Requirements: Contractor will provide a brief oral report to Client's Board of Directors at each of the Client's monthly board meetings and at the end of each contract year Contractor will provide a more comprehensive written report to Client's Board of Directors and present an oral summary thereof to the Client's Board of Directors at the next regularly scheduled board meeting.

EXHIBIT B

COMPENSATION

1) The following expenses shall be distributed to Contractor on or before July 2, 2018 to pay for the following line items:

- a) Tai Chi Training: \$3,000
- b) Strength Class Training: \$2,000
- c) Advertising: \$2,500
- d) Community Support \$20,000

2) As consideration for the services to be provided by Contractor hereunder, Contractor will be paid \$35,000 annually in four (4) equal quarterly installments in the amount of Eight Thousand Seven Hundred Fifty Dollars (\$8,750) each on the first business day of the month beginning each quarter calculated from first full month of the term. For the avoidance of doubt, the first payment shall be due and payable on or before July 2, 2018 and the other scheduled payments for the first year of the term will be due and payable on or before October 1, 2018, January 1, 2019 and April 1, 2019.

M0449001/4826-6981-3863-2

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

This Institution is an Equal Opportunity Provider and Employer

MEMORANDUM

Date: June 27, 2018

To: Mark Twain Health Care District Board of Trustees

From: Robert Diehl, President/CEO
Chris Roberts, CFO
Lonnie Smith, MD, CMO
Gary Arvin, Director of Imaging

Subject: Digital Radiography (X-Ray) Equipment: Request for Capital Approval

Management requests approval to purchase the **Carestream DRX-Revolution Mobile X-Ray System** inclusive of equipment, software and accessories. In addition, the approval will include two (2) DRX-1 in-room retrofit upgrades. This system and related upgrades will allow Mark Twain Medical Center (MTMC) to meet the new digital x-ray requirements of the Joint Commission and CMS standards since the signing of the Consolidated Appropriations Act of 2016. Total cost of this request is \$250,000 and is a budgeted item in the FY 2018 Capital Budget. This request is submitted for approval to the Mark Twain Health Care District Board of Trustees pursuant to Section 4.4(a) of the Lease Agreement, dated January 1, 1990, as amended, between the Mark Twain Health Care District and Mark Twain Medical Center because the equipment will have an economic life exceeding the term of the lease by more than five (5) years and net book value at the end of the Lease term will be at least \$100,000.

Background

On December 18, 2015, President Obama signed into law Consolidated Appropriations Act of 2016, bipartisan legislation which provided funding for the federal government for the 2016 fiscal year. Within this extensive legislation were radiology provisions related to the reimbursement for analog radiography (film), computed radiography (CR), and digital radiography (DR) imaging services.

The Centers for Medicare and Medicaid Services (CMS) has issued the proposed reimbursement changes, services subject to reductions and a mechanism for recording the type of radiography used. Medicare reimbursements of the technical component under the Physician Fee Schedule and the Hospital Outpatient Prospective Payment System will be reduced for radiologic exams conducted using film or CR. Starting in 2018, payments for imaging studies performed on CR equipment would be reduced by 7% for the next five years, and 10% after that. Currently, this does not impact Critical Access Hospitals.

Despite the legislative impact and the potential of future reimbursement reductions for Critical Access Hospitals, we have a need to improve our current situation. Our current portable machine is

computed radiography (CR) technology and is at end of life. MTMC only has one portable to service all portable x-ray exams, leaving MTMC vulnerable to meet patient needs if the portable goes down.

Opportunity

Digital radiography allows MTMC to come to the forefront in imaging services with the ability to increase productivity, decrease radiation exposure to the patient (ALARA), decrease retakes, increase quality, allow for faster turn-around times, and streamline workflow and promote growth.

The average DR room will have an image captured and rendered in about 10 seconds. This speed is far ahead of both film and CR. This provides faster diagnosis, response time, and better patient service. (With the ability to shorten exam times, patient satisfaction will increase as the flow of the department is quicker). DR panels can be shared across multiple systems and/or modalities.

Decrease radiation exposure to the patient. Digital image receptors are much more sensitive to low levels of radiation compared to film/screen, therefore require less quantity to produce a diagnostic radiographic image.

The initial cost of digital systems may be higher than film/screen setups, but in the long run, the overall cost of ownership of a DR is lower than that of a CR reader. CR readers have many moving parts and are more likely to require an on-site maintenance plan and replacement parts. DR uses the same materials over and over without the need for processor repair and maintenance costs.

Recommendation

Mark Twain Medical Center Board of Trustees have approved this project. Mark Twain Medical Center leadership team recommends that the Mark Twain Health Care District Board of Trustees approve the purchase of the **Carestream DRX-Revolution Mobile X-Ray System** as described in this Memorandum at a total cost not to exceed \$250,000.

Fewer retakes. Optimal images. Less radiation.

“The benefits of implementing digital radiography (x-ray) are many but the most important is saving lives and improving our patients’ and their loved ones’ experiences.”

Pardeep Athwal, MD, MBA
Radiologist at Mark Twain Medical Center



Hello humankindness™

Please learn more about the
DRX-Revolution Mobile X-Ray System
on the back of this publication.

 **Mark Twain
Medical Center Foundation.**



Mark Twain Health Care District

768 Mountain Ranch Road
San Andreas, CA 95249
209 754 3521 Telephone

To: Board of Directors
Finance Committee

From: J.R. Krieg, Controller

Subject: June 2018 Financial Results

Date: July 19, 2018

memorandum

MARK TWAIN HEALTH CARE DISTRICT:

For June, the Statement of Revenues and Expenses for the District reported operating income **before** all grants and sponsorships of \$35,160 as compared to the budgeted operating income of \$50,470.

Total revenue for the month were 4% above budget due to higher tax revenues than budgeted and investment income. Total revenue for the fiscal year also finished 4% above budget due to higher tax revenues.

Total expenses for the month were 28% above budget due to higher legal fees than were budgeted. Total expenses for the fiscal year were 19% above budget due to higher operational consulting fees than budgeted.

In June there were no payments under **Grants and Sponsorships**; additionally, there were no payments under **Golden Health Community Grants**.

Operating income in June **after** all grants and sponsorships was a **profit** of \$35,160 versus a budgeted profit of \$6,304. Operating income for the fiscal year **after** all grants and sponsorships, **before** Minority Interest, was a **profit** of \$445,034 versus a budgeted profit of \$403,714, a 10.2% favorable variance.

The Minority Interest in Mark Twain Medical Center Corporation for June **increased** by \$497,475 versus a budgeted profit of \$32,362.

The District's cash and investments balance as of June 30, 2018 is \$1,859,306 as compared to the audited June 30, 2017 yearend balance of \$1,756,603.

Construction in Progress for the Valley Springs clinic increased by \$70,455.
Capitalized Lease negotiation costs increased by \$14,947.

"Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides competent, professional and compassionate healing".

**MARK TWAIN HEALTH CARE DISTRICT
JUNE 2018**

**MARK TWAIN HEALTH CARE DISTRICT
STATEMENT OF REVENUES AND EXPENSES
JUNE 2018**

JUNE					Year-to-date					
Actual	Budget	Var %	Last Yr	Var %	Line #	Actual	Budget	Var %	Last Yr	Var %
\$26,587	\$25,837	3%	\$25,837	3%	1	\$313,039	\$310,044	1%	\$319,039	-2%
481	481	0%	\$481	0%	2	5,777	5,777	0%	5,777	0%
18,330	18,883	-3%	\$18,110	1%	3	219,794	226,000	-3%	217,159	1%
77,978	77,083	1%	\$98,341	-21%	4	988,305	925,000	7%	935,421	6%
222	917	-76%	\$163	36%	5	2,590	11,000	-76%	3,113	-17%
5,112	104	4816%	\$3,939	30%	6	4,401	1,250	252%	3,292	34%
\$128,710	\$123,305	4%	\$146,871	-12%		\$1,533,906	\$1,479,071	4%	\$1,483,801	3%
17,540	14,200	24%	8,823	99%	7	230,864	170,400	35%	63,893	261%
1,670	1,250	34%	1,910	-13%	8	18,275	15,000	22%	15,372	19%
35,794	6,250	473%	-	0%	9	50,179	75,000	-33%	15,195	230%
51	1,250	-96%	50	1%	10	19,231	15,000	28%	15,249	26%
0	0	0%	-	0%	11	0	0	0%	146,406	-100%
1,500	1,500	0%	60,729	-98%	12	250,192	18,000	1290%	198,495	26%
6,055	6,425	-6%	6,055	0%	13	72,662	77,100	-6%	72,662	0%
0	7,042	-100%	0	0%	14	16,037	84,500	-81%	0	0%
0	0	0%	28,398	-100%	15	0	0	0%	387,974	-100%
4,609	6,667	-31%	851	442%	16	57,593	80,000	-28%	11,198	414%
18,853	18,883	0%	23,353	-19%	17	226,237	226,000	0%	220,659	3%
2,026	1,934	5%	(73,747)	-103%	18	26,582	25,157	6%	(7,153)	-472%
0	0	0%	0	0%	19	0	0	0%	0	0%
0	1,350	-100%	1,138	-100%	20	14,731	16,200	-9%	12,554	17%
2,507	2,500	0%	1,979	27%	21	20,393	30,000	-32%	8,679	135%
1,200	1,667	-28%	248	384%	22	11,383	20,000	-43%	10,895	4%
1,725	1,250	38%	-	0%	23	19,685	15,000	31%	4,310	357%
20	667	-97%	266	-93%	24	7,413	8,000	-7%	17,154	-57%
\$93,550	\$72,835	28%	\$60,052	56%		\$1,041,459	\$875,357	19%	\$1,193,540	-13%
\$35,160	\$50,470	-30%	\$86,818	-60%		\$492,447	\$603,714	-18%	\$290,260	70%
\$0	\$2,083	-100%	\$0	0%	25	\$0	\$25,000	-100%	\$0	0%
0	333	-100%	0	0%	26	3,956	4,000	-1%	3,899	1%
0	400	-100%	0	0%	27	1,532	4,000	-62%	2,950	-48%
0	30,000	-100%	0	0%	28	0	30,000	-100%	0	0%
\$0	\$32,816	-100%	\$0	0%		\$5,488	\$63,000	-91%	\$6,849	-20%
0	11,350	-100%	100		29	41,925	137,000	-69%	67,310	
0	44,166	-100%	100		30	47,413	200,000		74,159	
\$35,160	\$6,304	458%	\$86,718			\$445,034	\$403,714	10%	\$216,101	106%
\$463,762	\$2,867	16076%	\$1,686	27407%	31	(\$1,057,134)	\$207,657	-609%	(\$2,690,273)	-61%
33,713	29,495	14%	6,912	388%	32	466,393	353,995	32%	818,712	-43%
\$497,475	\$32,362	1437%	\$8,598	5686%		(\$590,741)	\$561,652	-205%	(\$1,871,561)	-68%
\$532,634	\$38,666	1278%	\$95,316	459%		(\$145,707)	\$965,366	-115%	(\$1,655,460)	-91%

MARK TWAIN HEALTH CARE DISTRICT
BALANCE SHEET
JUNE 2018

ASSETS	JUNE 2018	JUNE 2017	LIABILITIES AND NET ASSETS	JUNE 2018	JUNE 2017
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash and cash equivalents	\$1,149,008	\$1,050,706	Accounts payable and accrued expenses	\$117,612	\$218,710
Umpqua Investments	710,298	705,896	Deferred Rental Revenue	38,617	38,189
Investments - CDARS	0	0	Security Deposits	3,275	3,275
Due from Calaveras County	49,415	67,901	Due to MTMC Corporation - rental clearing	47,458	79,097
Security Deposit	0	0	Payroll Liabilities	11,655	9,392
Accrued Interest Receivable	0	0			
Accounts Receivable (net)	74,938	127,640			
Prepaid expenses and other	15,369	24,468			
	<hr/>	<hr/>	Total Current liabilities	<hr/>	<hr/>
Total current assets	\$1,999,027	\$1,976,611		\$218,617	\$348,662
<u>LONG TERM INVESTMENTS</u>					
Minority Interest in MTMC	\$14,836,915	\$15,427,656			
Total LT Investments	<hr/>	<hr/>			
	\$14,836,915	\$15,427,656			
<u>PROPERTY, PLANT AND EQUIPMENT</u>					
Land and land improvements	\$1,339,564	\$1,339,564			
Buildings and improvements	4,568,729	4,568,729			
Construction in Progress (Valley Springs)	601,422	356,264			
Equipment	698,156	698,156			
Total gross PPE	\$7,207,871	\$6,962,713			
Accumulated Depreciation	(5,318,899)	(5,293,445)			
Net property, plant and equipment	<hr/>	<hr/>			
	\$1,888,972	\$1,669,268			
<u>OTHER ASSETS</u>			<u>NET ASSETS (Fund Balances)</u>		
Capitalized Lease Negotiation	341,143	267,146	Fund balance - District	\$3,567,543	\$3,351,442
Payroll Clearing	-	-	Fund balance - Minority Interest in MTMC	15,427,656	17,299,217
Intangible assets	2,051	3,179	Fund balance - District CY	445,034	216,101
			Fund balance - Minority Interest CY	(590,741)	(1,871,561)
Total other assets	<hr/>	<hr/>			
	\$343,194	\$270,325	Total net assets	<hr/>	<hr/>
				\$18,849,492	\$18,995,199
Total Assets	<hr/>	<hr/>	Total Liabilities and Net Assets	<hr/>	<hr/>
	\$19,068,109	\$19,343,861		\$19,068,109	\$19,343,861

Rolling 12 Month Financial Statements Revenue and Expense

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Revenue												
Rental revenue	\$25,837	\$25,837	\$25,837	\$25,837	\$25,837	\$25,837	\$25,837	\$25,837	\$26,587	\$26,587	\$26,587	\$26,587
Land rental revenue	481	481	481	481	481	481	481	481	481	481	481	481
MOB Lease Rent	18,325	18,325	18,458	18,391	18,391	18,078	18,178	18,330	18,330	18,330	18,330	18,330
District Tax Revenue	77,083	77,083	77,083	77,083	77,083	77,083	120,146	83,235	83,235	83,235	77,978	77,978
Interest/Investment Income	169	169	164	169	163	169	169	264	294	247	229	222
Other Miscellaneous Income	(114)	(388)	77	204	(705)	3,257	(1,145)	(1,274)	(723)	0	263	5,112
Total revenue	\$121,781	\$121,507	\$122,099	\$122,165	\$121,251	\$124,905	\$163,665	\$126,873	\$128,204	\$128,880	\$123,868	\$128,710
Expenses												
Payroll Expense	16,964	16,365	22,091	20,956	22,483	20,358	14,416	23,722	20,062	18,710	17,197	17,540
Insurance	1,250	1,250	1,250	2,286	1,250	1,535	1,250	1,250	1,535	1,250	2,500	1,670
Legal Fees	4,487	5,082	7,513	872	1,628	0	2,154	933	1,285	0	0	35,794
Audit/Accounting Fees	50	173	157	67	10,009	8,282	50	153	51	86	102	51
Management Consulting Fees	0	0	0	0	0	0	0	0	0	0	0	0
Operational Consulting Fees	1,844	4,351	2,729	1,800	7,454	26,600	62,365	92,730	34,379	5,000	11,284	1,500
MTMC Administrative Services	6,055	6,055	6,055	6,055	6,055	6,055	6,055	6,055	6,055	6,055	6,055	6,055
Election Costs	0	0	0	7,000	0	2,000	0	3,500	3,500	0	0	0
Utilities	0	0	0	0	0	0	0	0	0	0	0	0
Valley Springs Repairs/Maintenance - Rental	1,257	21,538	1,563	12,921	9,164	7,222	153	1,022	244	(1,053)	(955)	4,609
MOB Rent	18,853	18,853	18,853	18,853	18,853	18,853	18,853	18,853	18,853	18,853	18,853	18,853
Depreciation and Amortization	1,571	2,419	2,419	2,419	3,560	2,028	2,028	2,028	2,028	2,028	2,028	2,026
Dues and Subscriptions	1,138	1,205	1,138	1,138	3,771	1,163	2,388	1,168	1,164	1,138	(675)	0
Travel, Meals and Lodging	5,973	1,129	2,124	5,354	(800)	3,161	1,744	37	1,583	635	1,346	2,507
Community Education & Marketing	311	1,560	3,344	3,969	0	1,000	0	0	0	0	0	1,200
Other Miscellaneous Expenses	1,901	3,080	1,863	4,257	975	2,740	1,492	2,396	2,255	1,854	2,700	1,745
Total expenses	\$61,654	\$83,060	\$71,099	\$87,947	\$84,402	\$100,997	\$112,948	\$153,847	\$92,994	\$54,556	\$60,436	\$93,550
Operating Income (Loss) Before Programs & Events	\$60,127	\$38,447	\$51,000	\$34,218	\$36,849	\$23,908	\$50,717	(\$26,974)	\$35,210	\$74,324	\$63,433	\$35,160
Grants and Sponsorships:												
Chronic Disease Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High School Scholarship	0	0	0	0	3,956	0	0	0	0	0	0	0
Community Health Programs	0	0	0	1,532	0	0	0	0	0	0	0	0
Outpatient Telehealth	0	0	0	0	0	0	0	0	0	0	0	0
Total Sponsorships	0	0	0	1,532	3,956	0	0	0	0	0	0	0
Golden Health Community Grants	0	0	0	0	0	0	0	0	0	41,925	0	0
Total Grants and Sponsorships	0	0	0	1,532	3,956	0	0	0	0	41,925	0	0
Operating Income (Loss) After Grants and Sponsorships	\$60,127	\$38,447	\$51,000	\$32,686	\$32,893	\$23,908	\$50,717	(\$26,974)	\$35,210	\$32,399	\$63,433	\$35,160
Other Income/Expense												
Minority Interest in MTMC Operations	(\$598,709)	(\$443,877)	(\$295,078)	(\$747,794)	(\$505,890)	\$1,421,946	\$95,636	(\$16,292)	\$220,938	(\$420,714)	(\$231,063)	\$463,762
Minority Interest in MTMC Investments	72,800	75,107	70,483	60,095	41,557	23,519	97,626	9,833	(34,303)	2,197	13,768	33,713
Total Other Income/Expense	(\$525,909)	(\$368,770)	(\$224,595)	(\$687,699)	(\$464,333)	\$1,445,465	\$193,262	(\$6,459)	\$186,635	(\$418,517)	(\$217,295)	\$497,475
Net Income (loss)	(\$465,782)	(\$330,323)	(\$173,595)	(\$655,013)	(\$431,440)	\$1,469,373	\$243,979	(\$33,433)	\$221,845	(\$386,118)	(\$153,862)	\$532,635

Rolling 12 Month Financial Statements Balance Sheet

	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
ASSETS												
<u>CURRENT ASSETS</u>												
Cash and cash equivalents	\$1,006,299	\$1,042,680	\$968,939	\$832,628	\$852,538	\$742,485	\$1,206,877	\$1,092,996	\$977,959	\$939,515	\$1,241,630	\$1,149,008
Umpqua Investments	705,783	705,395	705,471	705,675	704,921	708,177	707,032	705,758	705,035	705,035	705,186	710,298
Investments - CDARS	0	0	0	0	0	0	0	0	0	0	0	0
Due from Calaveras County	144,984	154,166	231,249	308,332	385,415	462,498	33,294	116,529	199,764	282,999	(28,563)	49,415
Security Deposit	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable (net)	71,367	66,601	119,031	123,727	59,132	119,322	117,180	55,601	62,399	54,581	53,266	74,938
Prepaid expenses and other	23,313	20,925	18,538	16,150	13,763	11,375	8,988	6,600	4,213	1,825	1,250	15,369
Total current assets	\$1,951,746	\$1,989,768	\$2,043,229	\$1,986,512	\$2,015,768	\$2,043,858	\$2,073,371	\$1,977,484	\$1,949,370	\$1,983,955	\$1,972,770	\$1,999,028
Minority Interest in MTMC	\$14,901,747	\$14,532,977	\$14,308,382	\$13,620,683	\$13,156,350	\$14,601,815	\$14,795,077	\$14,788,618	\$14,975,253	\$14,556,736	\$14,339,441	\$14,836,915
<u>PROPERTY, PLANT AND EQUIPMENT</u>												
Land and land improvements	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564	\$1,339,564
Buildings and improvements	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729	4,568,729
Construction in Progress (Valley Springs)	353,791	358,893	358,893	361,810	363,628	364,038	364,038	407,134	463,639	467,289	530,967	601,422
Equipment	698,157	698,157	698,157	698,157	698,157	698,156	698,156	698,156	698,156	698,156	698,156	698,156
Total gross PPE	\$6,960,241	\$6,965,343	\$6,965,343	\$6,968,260	\$6,970,078	\$6,970,487	\$6,970,487	\$7,013,583	\$7,070,088	\$7,073,738	\$7,137,416	\$7,207,871
Accumulated Depreciation	(5,285,841)	(5,288,165)	(5,290,491)	(5,292,815)	(5,296,282)	(5,298,215)	(5,300,149)	(5,302,083)	(5,304,017)	(5,305,951)	(5,307,885)	(5,318,899)
Net property, plant and equipment	\$1,674,400	\$1,677,178	\$1,674,852	\$1,675,445	\$1,673,796	\$1,672,272	\$1,670,338	\$1,711,500	\$1,766,071	\$1,767,787	\$1,829,531	\$1,888,972
<u>OTHER ASSETS</u>												
Capitalized Lease Negotiation	266,489	267,146	272,929	274,346	277,761	277,761	289,968	318,671	323,587	323,587	326,196	341,143
Payroll Clearing	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	3,085	2,991	2,897	2,803	2,709	2,615	2,521	2,427	2,333	2,239	2,145	2,051
Total other assets	\$269,574	\$270,137	\$275,826	\$277,149	\$280,470	\$280,376	\$292,488	\$321,098	\$325,920	\$325,826	\$328,341	\$343,194
Total assets	\$18,797,467	\$18,470,060	\$18,302,289	\$17,559,789	\$17,126,384	\$18,598,321	\$18,831,274	\$18,798,701	\$19,016,614	\$18,634,304	\$18,470,083	\$19,068,109
LIABILITIES AND NET ASSETS												
<u>CURRENT LIABILITIES</u>												
Accounts payable and accrued expenses	\$106,124	\$106,124	\$112,179	\$27,624	\$27,624	\$33,679	\$27,624	\$27,624	\$27,624	\$33,678	\$27,624	\$117,612
Deferred Rental Revenue	38,189	38,189	38,087	38,036	37,986	38,138	38,290	38,290	38,290	38,290	38,290	38,617
Deferred Tax Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Security Deposits	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	4,275	3,275	3,275
Due to MTMC Corporation - rental clearing	76,460	73,824	71,187	68,551	65,914	63,278	60,641	58,004	55,368	52,731	50,095	47,458
Payroll Liabilities	6,825	6,321	8,704	8,460	9,182	8,176	5,690	9,185	7,890	7,280	6,613	11,655
Total current liabilities	\$230,873	\$227,733	\$233,432	\$145,946	\$143,981	\$146,546	\$135,519	\$136,378	\$132,447	\$136,254	\$125,897	\$218,617
<u>NET ASSETS (Fund Balances)</u>												
Fund balance - District	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,604,722	\$3,567,543
Fund balance - Minority Interest in MTMC	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656	15,427,656
Fund balance - District CY	60,127	104,629	155,753	188,439	221,332	245,239	295,957	268,983	304,193	336,593	400,025	445,034
Fund balance - Minority Interest CY	(525,909)	(894,679)	(1,119,273)	(1,806,973)	(2,271,306)	(825,841)	(632,580)	(639,038)	(452,403)	(870,920)	(1,088,216)	(590,741)
Total net assets	\$18,566,595	\$18,242,327	\$18,068,857	\$17,413,843	\$16,982,403	\$18,451,775	\$18,695,755	\$18,662,323	\$18,884,167	\$18,498,050	\$18,344,186	\$18,849,492
Total Liabilities and net assets	\$18,797,467	\$18,470,060	\$18,302,289	\$17,559,789	\$17,126,384	\$18,598,321	\$18,831,274	\$18,798,701	\$19,016,614	\$18,634,304	\$18,470,083	\$19,068,109

Mark Twain Health Care District
Operating Budget
 July 2017 - June 2018

Mark Twain Health Care District
 Budget FY 2018

	2017-2018 BUDGET	Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18
Ordinary Income/Expense													
Income													
550.10 · Rental Revenue	310,044	25,837	25,837	25,837	25,837	25,837	25,837	25,837	25,837	25,837	25,837	25,837	25,837
550.20 · Land Rental Revenue	5,777	481	481	481	481	481	481	481	481	481	481	481	481
550.30 · MOB Lease Rent	226,600	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883
560.10 · District Tax Revenue	925,000	77,083	77,083	77,083	77,083	77,083	77,083	77,083	77,083	77,083	77,083	77,083	77,083
570.10 · Interest Income	11,000	917	917	917	917	917	917	917	917	917	917	917	917
570.20 · Other Miscellaneous Income	1,250	104	104	104	104	104	104	104	104	104	104	104	104
Total Income	1,479,671	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306
Expense													
66000 · Payroll Expense	170,400	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200	14,200
710.00 · Insurance	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
715.23 · Legal Fees	75,000	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
715.24 · Audit Fees	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
715.25 · Management Consulting Fees	-	0	0	0	0	0	0	0	0	0	0	0	0
715.26 · Operational Consulting Fees	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
715.27 · Election Costs	84,500	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042	7,042
720.64 · Accounting Services	77,100	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425	6,425
731.00 · Community Education & Marketing	20,000	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667
734.00 · MOB Rent	226,600	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883	18,883
737.01 · Valley Springs Repairs	80,000	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667
740.86 · Dues and Subscriptions	16,200	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350
740.87 · Outside Training	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
740.88 · Travel, Meals & Lodging	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
740.89 · Office Supplies and Expense	15,000	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
740.00 · Other Miscellaneous Expense	8,000	667	667	667	667	667	667	667	667	667	667	667	667
Total Operating Expense	850,800	70,900	70,900	70,900	70,900	70,900	70,900	70,900	70,900	70,900	70,900	70,900	70,900
Operating Income Before Grants and Sponsorships	628,871	52,406	52,406	52,406	52,406	52,406	52,406	52,406	52,406	52,406	52,406	52,406	52,406
716.00 · Sponsorships													
716.07 · Chronic Disease Program	25,000	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083
716.09 · High School Scholarship	4,000	333	333	333	333	333	333	333	333	333	333	333	333
716.15 · Outpatient Telehealth	30,000	-	-	-	-	-	-	-	-	-	-	-	30,000
Total Sponsorships	59,000	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	2,417	32,417
717.00 · Golden Health Community Grants	141,000	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750	11,750
Total Sponsorships and Grants	200,000	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	44,167
Operating Income after Sponsorships and Grants	428,871	38,239	38,239	38,239	38,239	38,239	38,239	38,239	38,239	38,239	38,239	38,239	8,239
735.00 · Depreciation & Amortization	25,157	2,325	2,325	2,325	2,325	2,325	1,934	1,933	1,933	1,933	1,933	1,933	1,933
TOTAL OPERATING INCOME	403,714	35,914	35,914	35,914	35,914	35,914	36,305	36,306	36,306	36,306	36,306	36,306	6,306

Balance Sheet Budget

July 2017 thru June 2018

ASSETS	July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
CURRENT ASSETS												
Cash and cash equivalents	\$986,953	\$907,783	\$878,188	\$802,768	\$727,348	\$651,928	\$1,085,257	\$1,009,837	\$919,312	\$855,009	\$1,160,706	\$1,066,403
Umpqua Investments	704,292	705,459	706,626	707,793	708,960	710,127	711,294	712,461	713,628	714,795	715,962	717,129
Investments - CDARS	0	0	0	0	0	0	0	0	0	0	0	0
Due from Calaveras County	122,908	199,992	231,250	308,333	385,417	462,500	30,833	107,917	185,000	262,083	(30,833)	46,250
Security Deposit	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Interest Receivable	0	0	0	0	0	0	0	0	0	0	0	0
Accounts Receivable (net)	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500	22,500
Prepaid expenses and other	26,114	23,914	21,714	19,514	17,314	15,114	12,914	10,714	8,514	6,314	4,114	1,914
Total current assets	\$1,862,767	\$1,859,648	\$1,860,278	\$1,860,908	\$1,861,539	\$1,862,169	\$1,862,799	\$1,863,429	\$1,848,954	\$1,860,702	\$1,872,449	\$1,854,196
Minority Interest in MTMC	\$15,046,439	\$15,096,015	\$14,990,482	\$14,851,406	\$14,821,116	\$14,888,240	\$14,955,137	\$14,924,462	\$15,019,011	\$14,908,991	\$14,840,398	\$14,865,132
PROPERTY, PLANT AND EQUIPMENT												
Land and land improvements	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593	\$1,339,593
Buildings and improvements	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496	4,570,496
Construction in Progress (Valley Springs)	374,938	401,160	427,382	453,604	479,826	506,048	532,270	558,492	1,224,133	1,863,550	2,502,967	3,142,384
Equipment	698,157	698,157	698,157	698,157	698,157	698,157	698,157	698,157	698,157	698,157	698,157	698,157
Total gross PPE	\$6,983,184	\$7,009,406	\$7,035,628	\$7,061,850	\$7,088,072	\$7,114,294	\$7,140,516	\$7,166,738	\$7,832,379	\$8,471,796	\$9,111,213	\$9,750,630
Accumulated Depreciation	(5,368,359)	(5,370,590)	(5,372,821)	(5,375,052)	(5,377,283)	(5,379,123)	(5,380,962)	(5,382,801)	(5,384,640)	(5,386,479)	(5,388,318)	(5,390,157)
Net property, plant and equipment	\$1,614,825	\$1,638,816	\$1,662,807	\$1,686,798	\$1,710,789	\$1,735,171	\$1,759,554	\$1,783,937	\$2,447,739	\$3,085,317	\$3,722,895	\$4,360,473
OTHER ASSETS												
Capitalized Lease Negotiation	262,793	271,543	280,293	289,043	297,793	306,543	315,293	324,043	332,793	341,543	350,293	359,043
Payroll Clearing	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	3,085	2,991	2,897	2,803	2,709	2,615	2,521	2,427	2,333	2,239	2,145	2,051
Total other assets	\$265,878	\$274,534	\$283,190	\$291,846	\$300,502	\$309,158	\$317,814	\$326,470	\$335,126	\$343,782	\$352,438	\$361,094
Total assets	\$18,789,909	\$18,869,013	\$18,796,757	\$18,690,958	\$18,693,945	\$18,794,738	\$18,895,304	\$18,898,298	\$19,650,830	\$20,198,792	\$20,788,181	\$21,440,896
LIABILITIES AND NET ASSETS												
CURRENT LIABILITIES												
Accounts payable and accrued expenses	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500	\$37,500
Deferred Rental Revenue	\$37,974	37,974	37,974	37,974	37,974	37,974	37,974	37,974	37,974	37,974	37,974	37,974
Deferred Tax Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Security Deposits	\$3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275	3,275
Due to MTMC Corporation - rental clearing	\$77,000	74,363	71,726	69,089	66,452	63,815	61,178	58,541	55,904	53,267	50,630	47,993
Payroll Liabilities	\$8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Total current liabilities	\$164,249	\$161,612	\$158,975	\$156,338	\$153,701	\$151,064	\$148,427	\$145,790	\$143,153	\$140,516	\$137,879	\$135,242
LONG TERM LIABILITIES												
Construction Loan	26,222	26,222	26,222	26,222	26,222	26,222	26,222	26,222	650,536	1,274,848	1,899,160	2,523,472
NET ASSETS (Fund Balances)												
Fund balance - District	\$3,513,335	\$3,505,835	\$3,502,085	\$3,498,335	\$3,494,585	\$3,490,835	\$3,487,085	\$3,483,335	\$3,479,585	\$3,475,835	\$3,472,085	\$3,468,335
Fund balance - Designated for Debt Service Reserve	\$3,750	\$7,500	\$11,250	\$15,000	\$18,750	\$22,500	\$26,250	\$30,000	\$33,750	\$37,500	\$41,250	\$45,000
Fund balance - Minority Interest in MTMC	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957	15,093,957
Fund balance - District CY	35,914	71,829	107,743	143,657	179,571	215,485	251,399	287,313	323,227	359,141	395,055	430,969
Fund balance - Minority Interest CY	(47,518)	2,058	(103,475)	(242,551)	(272,841)	(205,717)	(138,820)	(169,495)	(74,946)	(184,966)	(253,559)	(228,825)
Total net assets	\$18,599,438	\$18,681,179	\$18,611,560	\$18,508,398	\$18,514,022	\$18,617,452	\$18,720,655	\$18,726,286	\$18,857,141	\$18,783,428	\$18,751,141	\$18,782,181
Total Liabilities and net assets	\$18,789,909	\$18,869,013	\$18,796,757	\$18,690,958	\$18,693,945	\$18,794,738	\$18,895,304	\$18,898,298	\$19,650,830	\$20,198,792	\$20,788,181	\$21,440,896

Footnotes:

- 1) Interest on Construction loan for Valley Springs Clinic is capitalized during construction. Payments in approx. March '18 thru June '18 impact Cash Flow but not the P & L.
- 2) Payments to Aspen Street Architects for services rendered on Valley Springs Clinic project are capitalized. Payments impact Cash Flow but not the P & L.
- 3) Per USDA loan agreement, District must establish one years' payments as a reserve. One tenth per year for ten years. Per Auditor/Loan Facilitator, funds are not required to be separated into a special bank account. Designating the funds in the District's Equity section is sufficient.
- 4) In the event the District decides to **operate** the Valley Springs Clinic, the District would be obligated to pay \$1,200,000 for IT infrastructure and furniture, at the end of construction.

Financial Dashboard

Metric	Source and Location	FY18 YTD												
		Jul '17	Aug '17	Sep '17	Oct '17	Nov '17	Dec '17	Jan '18	Feb '18	Mar '18	Apr '18	May '18	Jun '18	Sum
Net Income (Loss)	Bottom Line All In	(465,782)	(330,324)	(173,595)	(655,013)	(431,440)	1,469,373	243,979	(33,432)	221,845	(386,118)	(154,014)	532,634	(161,887)
...	budget	(163,980)	(67,798)	(225,823)	(256,305)	(149,135)	1,614,919	111,736	11,774	138,747	(64,973)	(22,480)	38,666	965,348
Operating Income Before Grants	Before Grants and Sponsorships and MI	60,127	38,446	51,000	34,219	36,849	23,908	50,717	(26,974)	35,210	74,324	63,281	35,160	476,267
...	budget	50,081	50,081	50,081	50,081	50,081	50,472	50,473	50,473	36,304	50,470	50,470	50,470	589,537
Total Revenue	Lines 1-6	121,781	121,507	122,099	122,165	121,251	124,905	163,665	126,873	128,203	128,880	123,717	128,710	1,533,756
...	budget	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,306	123,305	123,305	123,305	123,305	1,479,668
Total Operating Expenses	Lines 7-24	61,654	38,447	71,099	87,947	84,402	100,997	112,948	153,847	92,993	54,556	60,436	93,550	1,012,876
...	budget	73,225	73,225	73,225	73,225	73,225	72,834	72,833	72,833	72,835	72,835	72,835	72,835	875,965
Total Grants and Sponsorships	Line 30	0	0	0	1,532	3,956	0	0	0	0	41,925	0	0	47,413
...	budget	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,167	14,166	14,166	32,816	188,651
Investment Income Misc Income	Lines 5-6	55	(219)	240	373	(541)	3,425	(976)	(1,010)	(429)	248	492	5,334	6,992
...	budget	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	3,939	15,170
Legal Fees	Line 9	4,487	5,082	7,513	872	1,628	0	2,154	933	1,285	0	0	35,794	59,748
...	budget	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	75,000
Operational Consulting Fees	Line 12	1,844	4,351	2,729	1,800	7,454	26,600	62,365	92,730	34,379	5,000	11,284	1,500	252,036
...	budget	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Valley Springs Repairs	Line 16	1,257	21,538	1,563	12,921	9,164	7,222	153	1,022	244	(1,053)	(955)	4,609	57,685
...	budget	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,004
Dues and Subscriptions	Line 20	1,138	1,205	1,138	1,138	3,771	1,163	2,388	1,168	1,164	1,138	(675)	0	14,736
...	budget	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200
Travel Meals Lodging	Line 21	5,973	1,129	2,124	5,354	(800)	3,161	1,744	37	1,583	635	1,346	2,507	24,793
...	budget	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Office Supplies	Line 23	1,504	2,326	744	952	975	2,357	1,070	2,396	2,082	1,207	2,700	1,725	20,038
...	budget	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
Other Miscellaneous	Line 24	398	754	1,119	3,305	0	383	422	0	173	648	0	20	7,222
...	budget	667	667	667	667	667	667	667	667	667	667	667	667	8,004
Minority Interest - Operations	Line 31	(598,709)	(443,877)	(295,078)	(747,794)	(505,890)	1,421,946	95,636	(16,292)	220,938	(420,714)	(231,063)	463,762	(1,057,135)
...	budget	(229,393)	(133,211)	(291,236)	(321,719)	(214,549)	1,549,115	45,932	(54,030)	72,943	(130,777)	(88,284)	2,867	207,658
Minority Interest - Investments	Line 32	72,800	75,107	70,483	60,095	41,557	23,519	97,626	9,833	(34,303)	2,197	13,768	33,713	466,395
...	budget	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,500	29,495	353,995

Color Code Key
Red: unfavorable to budget/target
Yellow* - unfavorable, but near budget/target
Green: favorable to budget/target

*Yellow threshold varies by metric

Mark Twain Healthcare District
Simplified Cash Flow
June 2018

CASH RECEIVED

Mark Twain Medical Center	\$	23,200
Stockton Cardiology		3,392
Mark Twain Medical Center		15,265
Rental Income - Valley Springs		750
Jake Koplen		481
Calaveras County		-
Umpqua Bank		222
GHA payments		-
reimbursement - PG&E		-
reimbursement - MTMC utilities		49,393
Total Cash Received in Month	\$	<u>92,703</u>

Comment

Pymt-Hospital Lease Agreement
MOB rental suite 101
Pymt-MOB rental suites 102,103,104,105
1 Month rent
Land Lease - parcel #5
Property Tax Revenue
Money Market interest/Investments
Against Expense
utilities

CASH PAID OUT

IRS/EDD - Payroll & Taxes		17,399
Check Register	\$	<u>161,871</u>
NET CHANGE IN CASH BALANCE	\$	<u>(86,567)</u>

See check register for detail

Mark Twain Healthcare District
Check Register
June 2018

Type	Date	Num	Name	Memo	Cir	Split	Amount
100.30 - Umpqua Bank Checking							
Check	06/06/2018	14626	BETA Healthcare Group		√	-SPLIT-	(16,601.00)
Check	06/06/2018	14627	Your Type		√	740.89 · Office Supplies and Expense	(175.00)
Check	06/06/2018	14628	Van Lieshout, Patrick		√	152.92 · CIP - VS Clinc Land Costs	(5,500.00)
Check	06/06/2018	14629	Streamline	Invoice 96546	√	740.89 · Office Supplies and Expense	(200.00)
Check	06/06/2018	14630	Calaveras First		√	152.92 · CIP - VS Clinc Land Costs	(1,121.37)
Check	06/06/2018	14631	San Andreas Medical & Professional Office		√	-SPLIT-	(18,853.09)
Check	06/06/2018	14632	Mark Twain Medical Center Healthcare Corp			720.64 · Administrative Services	(6,055.16)
Check	06/06/2018	14633	CPUD plant maint		√	-SPLIT-	(1,471.47)
Check	06/06/2018	14634	PG&E 89195984003 Cancer/Infusion		√	-SPLIT-	(499.38)
Check	06/06/2018	14635	PG&E 39918320076 Cancer		√	-SPLIT-	(198.97)
Check	06/06/2018	14636	PG&E 74021406306 SAFMC		√	730.77 · Electricity	(658.57)
Check	06/06/2018	14637	PG&E 46995152991 VS Clinic # 9		√	730.77 · Electricity	(208.09)
Check	06/06/2018	14638	PG&E 46578486352 VS Clinic # 10		√	730.77 · Electricity	(160.19)
Check	06/06/2018	14639	PG&E 71068388090 Pain Mgmt		√	-SPLIT-	(568.65)
Check	06/06/2018	14640	AT&T 795-2997749		√	730.85 · Telephone	(76.40)
Check	06/06/2018	14641	Calaveras Telephone		√	730.85 · Telephone	(465.92)
Check	06/06/2018	14642	Columbia Communications, Inc.		√	730.85 · Telephone	(664.00)
Check	06/06/2018	14643	San Andreas Sanitary District-plant maint		√	730.79 · Water/Sewer	(8,675.92)
Check	06/06/2018	14644	La Contenta Plaza		√	730.79 · Water/Sewer	(1,228.37)
Check	06/06/2018	14645	Gateway Press		√	740.89 · Office Supplies and Expense	(47.48)
Check	06/06/2018	14646	Hstar, Inc.		√	740.89 · Office Supplies and Expense	(571.48)
Check	06/06/2018	14647	City of Angels		√	730.79 · Water/Sewer	(170.40)
Check	06/06/2018	14648	Mosbaugh Properties-Arnold		√	-SPLIT-	(228.30)
Check	06/06/2018	14649	Alliant Insurance		√	710.82 · Insurance - Other	(135.06)
Check	06/19/2018	14650	PG&E 2306121143-1 ortho		√	730.77 · Electricity	(662.02)
Check	06/19/2018	14651	PG&E 42630399709 Hospital		√	730.78 · Natural Gas	(6,543.96)
Check	06/19/2018	14652	AT&T 754-9362		√	730.85 · Telephone	(710.47)
Check	06/19/2018	14653	AT&T 0518795579001			-SPLIT-	(37.44)
Check	06/19/2018	14654	AT&T 457-7		√	730.85 · Telephone	(4.67)
Check	06/19/2018	14655	AT&T OneNet		√	730.85 · Telephone	(1,200.36)
Check	06/19/2018	14656	The Union Democrat		√	152.92 · CIP - VS Clinc Land Costs	(787.28)
Check	06/19/2018	14657	The Valley Springs News		√	740.89 · Office Supplies and Expense	(0.80)
Check	06/19/2018	14658	Suburban Propane-Ortho		√	730.78 · Natural Gas	(186.13)
Check	06/19/2018	14659	CPPA Plant Maint		√	730.77 · Electricity	(25,331.43)
Check	06/19/2018	14660	Donna Koplen		√	-SPLIT-	(1,790.10)
Check	06/19/2018	14661	State Compensation Insurance Fund		√	710.82 · Insurance - Other	(284.50)
Check	06/19/2018	14662	Campora Propane	Acct # 502288	√	-SPLIT-	(180.46)
Check	06/19/2018	14663	Dr. Randall Smart			740.88 · Travel, Meals & Lodging	(50.58)

Mark Twain Healthcare District
Check Register
June 2018

Check	06/19/2018	14664	Al-Rafiq, Talibah		740.88 - Travel, Meals & Lodging	(220.19)
Check	06/19/2018	14665	Cal.net-Motherlode	√	740.89 - Office Supplies and Expense	(4.58)
Check	06/19/2018	14666	Mosbaugh Properties-Arnold	√	-SPLIT-	(94.50)
Check	06/19/2018	14667	Computer Fireman		740.89 - Office Supplies and Expense	(75.00)
Check	06/19/2018	14668	Tribble and Ayala	√	715.22 - Accounting Fees	(51.00)
Check	06/19/2018	14669	CCWD	√	-SPLIT-	(788.60)
Check	06/19/2018	14670	The Union Democrat	√	152.92 - CIP - VS Clinc Land Costs	(999.45)
Check	06/19/2018	14671	The Valley Springs News	√	152.92 - CIP - VS Clinc Land Costs	(312.00)
Check	06/19/2018	14672	Cardmember Service		740.89 - Office Supplies and Expense	(77.91)
Check	06/19/2018	14673	Laguna Gold Mortgage	√	715.26 - Operational Consulting	(1,500.00)
Check	06/19/2018	14674	Susan Atkinson	√	740.88 - Travel, Meals & Lodging	(176.25)
Check	06/19/2018	14675	Archer Norris	√	-SPLIT-	(5,789.40)
Check	06/19/2018	14676	Aspen Street Architects	√	-SPLIT-	(49,477.33)
TOTAL						<u>(161,870.68)</u>

Mark Twain Healthcare District
Miscellaneous Expense
June 2018

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
740.00 - Miscellaneous						
740.86 - Dues & Subscriptions						
	General Journal	06/30/2018	11402		adjust to actual	0.00
Total 740.86 - Dues & Subscriptions						<u>0.00</u>
740.88 - Travel, Meals & Lodging						
	Check	06/19/2018	14663	Dr. Randall Smart	mileage reimbursement - May 2018	50.58
	Check	06/19/2018	14664	Al-Rafiq, Talibah	Mileage Report Mar - May 2018	220.19
	Check	06/19/2018	14674	Susan Atkinson	Reimburse for mileage - May 2018	176.25
Total 740.88 - Travel, Meals & Lodging						<u>447.02</u>
740.89 - Office Supplies and Expense						
	Check	06/06/2018	14627	Your Type	Inv 202	175.00
	Check	06/06/2018	14629	Streamline	Monthly member fee - inv 97527	200.00
	Check	06/06/2018	14645	Gateway Press	Inv # 53948	47.48
	Check	06/06/2018	14646	Hstar, Inc.	Invoice 15342 - Computer services	571.48
	Check	06/19/2018	14657	The Valley Springs News	Inv # 2553 - CPA publication	0.80
	Check	06/19/2018	14665	Cal.net-Motherlode	Email account	4.58
	Check	06/19/2018	14667	Computer Fireman	computer maint-inv 4574	75.00
	Check	06/19/2018	14672	Cardmember Service	office supplies/expense	77.91
Total 740.89 - Office Supplies and Expense						<u>1,152.25</u>
Total 740.00 - Miscellaneous						<u>1,599.27</u>
TOTAL						<u><u>1,599.27</u></u>

**Mark Twain Health Care District
List of Renters and Leases
June 30, 2018**

7/17/2018

Name	Contract Date	Commencement Date	CPI Increase Date	Increase Rate (%)	Lease Term	expire date	MOB Suite	Location	District Pays Utilities	Type	Monthly Rent	Sq ft Rate	CAM	Total	Sq Ft.	Comments
							First Floor	704 Mountain Ranch Rd, Building E								
Stockton Cardiology	8/15/2007	8/14/2017	7/14/2018	2.0	3 years	8/14/2020	101	see above	N	Office	\$ 2,839.30	2.23	\$ 552.50	\$ 3,391.80	1,276	Current thru 06/2018
Multi-Specialty Clinic	9/1/2012	9/1/2017	8/1/2018	3.0	5 years	9/1/2022	102	see above	Y	Clinic	\$ 2,768.57	2.17	\$ 552.50	\$ 3,321.07	1,276	Current thru 06/2018
San Andreas FMC	7/1/2014	7/1/2014	5/1/2019	CPI	5 years	7/1/2019	103/104	see above	Y	Clinic	\$ 7,244.50	3.14	*	\$ 7,244.50	2,304	Current thru 06/2018
San Andreas FMC	7/1/2014	7/1/2014	5/1/2019	CPI	5 years	7/1/2019	105	see above	Y	Office	\$ 3,870.46	2.35	\$ 552.50	\$ 4,422.96	1,644	Current thru 06/2018
Total MOB lease income											\$ 16,722.83		\$ 1,657.50	\$ 18,380.33	6,500	
Valley Springs Rental																
Resource Connection	3/1/2018	3/1/2018	2/1/2019		1 Year	3/1/2019	N/A	1934 Highway 26	Y	Office	\$ 750.00	N/A	N/A	\$ 750.00		Current thru 06/2018
Hospital Lease Agreement w/ Corporation																
Mark Twain Medical Center	1/1/1990	1/1/1990			30 years	12/31/2019		768 Mountain Ranch	Reimburse	Hospital	\$ 23,200.00		NA	\$ 23,200.00		
Office Lease																
San Andreas Medical and Professional Offices (Diede)	3/1/2007	3/1/2007		3.0	20 years	2/28/2027	First Floor	704 Mountain Ranch Rd, Building E	N	Office	\$ 15,959.70		\$ 2,893.39	\$ 18,853.09	6,500	Rent increases 3% each year.
Land Lease																
Jake Koplen	5/3/1994	5/3/1994			50 years	5/2/2044		Parcel 5, 700 Mountain Ranch Road, MOB Bldgs A, B, C	Y	Land	\$ 481.42		NA	\$ 481.42	NA	At term of lease Improvements (buildings) become District property. May terminate lease after 35 years and purchase Improvements.
San Andreas Medical and Professional Offices (Diede)	5/20/2004	5/20/2004			50 years	5/19/2054		Parcel 3, Building E (MOB Property)	N	Land	\$ 1 / Yr		NA	\$ 1 / Yr	NA	At term of lease Improvements (buildings) become District property. May terminate lease after 35 years and purchase Improvements.

* CAM charges included in rent

JWT & Associates, LLP

A Certified Public Accountancy Limited Liability Partnership

1111 E. Herndon Avenue, Suite 211
Fresno, California 93720
Voice: (559) 431-7708 Fax: (559) 431-7683

July 12, 2018

Board of Directors
Mark Twain Health Care District
768 Mountain Ranch Road
San Andreas, California 95249

We are pleased to confirm our understanding of the services we are to provide for the Mark Twain Health Care District (the "District") for the year ended June 30, 2018. We will audit the financial statements of the District, which comprise the statement of net position as of June 30, 2018, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Discussion and Analysis

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's MD&A in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles¹ and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the governing board of directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

If other supplementary information is presented, other than the MD&A, you are responsible for the preparation of this supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

HIPPA Business Associate Agreement

You agree that you are solely responsible for the accuracy, completeness, and reliability of all data and information you provide us for our engagement. You agree to provide any requested information on or before the date we commence performance of the services. To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidances thereunder (“HIPAA”), we shall enter into a HIPAA Business Associate Agreement with the District.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees assist in preparing all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of JWT & Associates, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to request by certain regulators or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of JWT & Associates, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to certain regulators or their designee. Certain regulator or their designee may intend or decide to distribute the copies or information contained therein to others, including other certain regulators.

We expect to begin our audit in September or October, 2018 and to issue our reports in either October or November, 2018. Jeremy Ware is the engagement associate and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be \$11,500 plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the Rules of Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that in the event of a dispute over fees charged by the accountant, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

JW7 & Associates, LLP

APPROVED:


Name and Title

Committees of the Board; Public Information Officer; Auditors:

5.1 SPECIAL COMMITTEES. The President, with the concurrence of the District Board, may, from time to time, appoint one (1) or more members of the District Board and other persons as necessary or appropriate, to constitute special committees for the investigation, study, or review of, specific matters. No committee so appointed shall have any power or authority to commit the District Board or the District in any manner.

5.2 STANDING COMMITTEES. The standing committees of the Board of Directors shall consist of a Finance Committee and such other committees as a majority of the members of the Board of Directors may authorize. The President of the District Board shall appoint the members and chairs of all standing committees. Standing committees shall be included in these Policies.

5.3 FINANCE COMMITTEE. The Finance Committee should consist of and be chaired by the Treasurer and one (1) additional District Board member appointed by the President because of his or her background, interest and knowledge of business-related finance.

A. Responsibilities and Authority.

1. The Chair of the Finance Committee shall be the Treasurer who shall report to the full District Board on a monthly basis. The Finance Committee shall meet on at least a quarterly basis to review the District's financial activities.

2. The Finance Committee shall be responsible for the management of all investments of the District and endowment and trust funds and to see that proceeds are paid into proper funds of the District and used in accordance with the terms of the trust and/or investment objectives of the District.

3. The Finance Committee shall see that a budget is prepared and submitted to the Board with specific recommendations prior to the end of the fiscal year.

4. The Finance Committee shall examine monthly financial reports and require explanations from the Executive Director or his or her delegate of variations from the budget.

5. The Finance Committee shall supervise and review the results of all external audits and make specific recommendations to the full District Board for action.

5.4 PUBLIC INFORMATION OFFICER. The Executive Director, or his or her designee, shall serve as the Public Information Officer for the District. The duties associated with this role include, but are not limited to, ensuring effective communication with local residents and stakeholders in accordance with the District's priorities and the District Board's direction.

5.5. ANNUAL AUDITS. The District Board shall contract with an outside auditor to conduct an annual audit. The District Board shall issue a request for proposals for auditing services not less than every three (3) years and shall not contract with the same auditor more than twice without an intervening contract with a separate auditor. The annual audit shall be completed by October 31st of each year. Following the Finance Committee's review and recommendation, the District Board must approve the annual audit by December 31st of each year.

Board Meetings: Location, Time, Date, and Quorum:

6.1 PUBLIC MEETINGS. Meetings of the Board of Directors, whether regular, special, or adjourned, shall be open to the public, except as otherwise permitted by law. All District Board meetings will be held in accordance with the Brown Act (Government Code Section 54950 *et seq.*), Health and Safety Code Section 32106, and Health and Safety Code Section 32155.

The regular meetings of the District Board shall be held on the fourth Wednesday of each calendar month at 7:30 a.m. at the District’s offices, located within the Mark Twain Medical Center located at 768 Mountain Ranch Road, San Andreas, California. The Board of Directors may, from time to time, change the time or day of the month of such regular meetings as required by holiday schedules or changing circumstances.

6.2 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called as provided by law by the President of the Board, or by three (3) members of the District Board, as the occasion demands. Notice of the holding of any special meeting shall be delivered to each member of the Board of Directors not less than twenty-four (24) hours before the meeting.

The call and notice of a special meeting shall specify the time and place of the special meeting, and the business to be transacted. No other business shall be considered at such meetings by the District Board. Written notice may be dispensed to any member who at or prior to the time the meeting convenes files a written waiver of notice, with the Secretary of the Board.

6.3 QUORUM. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.

6.4 ADJOURNMENT. The Board may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the Executive Director may declare the meeting adjourned to a stated time and place and he or she shall cause a written notice of the adjournment to be given in the same manner as provided in these Policies for special meetings, unless such notice, is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of adjournment.

When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified by these Policies for regular meetings.

Attendance at Meetings:

The term of any member of the Board of Directors shall expire if he or she is absent without reasonable cause from three (3) consecutive regular meetings, or from three (3) of any five (5) consecutive meetings of the District Board and if, in such event, the District Board by resolution declares that a vacancy exists on the District Board.

Reasonable cause for absence, includes, but is not necessarily limited to, illness, accident, vacation or unavoidable business or family commitments.

Agenda:

POLICY NO. 8 AGENDA. At least seventy-two (72) hours before a regular meeting, and at least twenty-four (24) hours before ~~a special~~ an emergency meeting, the Executive Director shall cause an agenda to be posted containing a brief general description of each item of business to be transacted or discussed at the meeting in accordance with the Brown Act. The agenda shall specify the time and location of the regular meeting and shall be posted at the Mark Twain Medical Center and the Calaveras Public Library in locations that are freely accessible to members of the public. The agendas and all supporting staff reports, and documentation included in the agenda package shall be posted to the District's internet website at the same times.

Conflict of Interest Code and Ethics:

12.1 CONFLICT OF INTEREST CODE

The Board approved Resolution No. 2014-6 on December 10, 2104 which adopted the terms of Section 18730 of Title 2 of the California Code of Regulations and any amendments to said provision approved by the Fair Political Practices Commission, as the District’s Conflict of Interest Code.

12.2 DISCLOSURE OF ECONOMIC INTERESTS. Individuals required to file statements of economic interests under the District’s Conflict of Interest Code must submit those statements to the Executive Director, as the District’s filing officer. The Executive Director shall retain the statements and make them available for public inspection and reproduction, as required by the Political Reform Act, or forward them to the County of Calaveras or the Fair Political Practices Commission as required by law.

12.3 AB 1234 ETHICS TRAININGS

The Executive Director shall be responsible for scheduling ethics training for all members of the Board of Directors on a biennial basis as required by Assembly Bill 1234 (“AB 1234”). The AB 1234 trainings shall also be held within three (3) months of a newly elected member of the Board of Directors assuming office. The trainings shall conform to the content and length requirements of AB 1234.

Appointments to the District Board:

Any vacancy ~~upon~~ on the Board of Directors may be filled by appointment by the remaining members of the Board of Directors or by special election, for such term and under such conditions as may be specified by law.

Site Square Footage	sf
Total	96,300
Bldg footprint	10,000
Parking & roads	38,246
Conc Flatwork	3,942
Landscaping	44,112

Opinion of Probable Costs

Key Project Data Information	Total Project	Site	Building	Other Costs non-grant related	ACTUAL SPEND as of 06-30-18	OVER/(UNDER)
Square Footage Totals	10,000	96,300	10,000			
Direct Construction Cost per SQFT	351		260			
Total Construction Cost per SQFT	391		290			
Total Project Cost per SQFT (including Financing)	\$ 546		\$ 389			

Direct Construction Cost						
Direct Construction Cost	\$ 3,475,000	\$ 875,000	\$ 2,600,000			\$ (3,475,000)
Monument Signs	\$ 30,000	\$ 30,000	\$ -			\$ (30,000)
	\$ -	\$ -	\$ -			
Total Direct Construction Cost	\$ 3,505,000	\$ 905,000	\$ 2,600,000	\$ -	\$ -	\$ (3,505,000)

In-Direct Construction Cost						
Labor/Material & Performance Bonds (1.5%)	\$ 52,575	\$ 13,575	\$ 39,000			\$ (52,575)
	\$ -	\$ -	\$ -			
	\$ -	\$ -	\$ -			
Total In-Direct Construction Cost	\$ 52,575	\$ 13,575	\$ 39,000	\$ -	\$ -	\$ (52,575)

Construction Contingencies / Escalation						
		10%				
Building Contingency	\$ 347,500	\$ 87,500	\$ 260,000			\$ (347,500)
	\$ -	\$ -	\$ -			
Total Construction Contingencies / Escalation	\$ 347,500	\$ 87,500	\$ 260,000	\$ -	\$ -	\$ (347,500)
Total Construction Budget	\$ 3,905,075	\$ 1,006,075	\$ 2,899,000	\$ -	\$ -	\$ (3,905,075)

Equipment Budget						
Furniture Fixtures and Equipment Allowance	\$ -			\$ 462,000		\$ (462,000)
Graphic / Signage / Artwork / Plants	\$ -					
Nursecall & Code Blue Systems	\$ -					
Intercom/Public Address/Fixed AV	\$ -					
Radio Systems	\$ -					
Dictation Systems	\$ -					
Security/Video Surveillance/Access Control	\$ -					
Television	\$ -					
Structured Cabling / IT Allowance	\$ -			\$ 330,000		\$ (330,000)
PBX -Telecom (includes VM)	\$ -					
Desktop Devices (Desktops, Laptops, Handhelds & Printers)	\$ -					
Network Electronics	\$ -					
Software Applications (Installation, Licenses etc.)	\$ -					
Time & Attendance	\$ -					
IT Construction Project Mgmt	\$ -					
IT Construction 3rd Party Resources	\$ -					
Other Equipment Costs	\$ -					
Total Equipment Budget	\$ -	\$ -	\$ -	\$ 792,000	\$ -	\$ (792,000)

Site Square Footage		sf
Total		96,300
Bldg footprint		10,000
Parking & roads		38,246
Conc Flatwork		3,942
Landscaping		44,112

Opinion of Probable Costs

Key Project Data Information	Total Project	Site	Building	Other Costs non-grant related	ACTUAL SPEND as of 06-30-18	OVER/(UNDER)
Consultant Fees						
Architect/Engineer Fees	\$ 312,870	\$ 78,370	\$ 234,500		\$ 382,007	\$ 69,137
Equipment Planner Fees	\$ -	\$ -				
Other Consultant Fees	\$ -	\$ -			\$ 6,675	\$ 6,675
Total Consultant Fees Budget	\$ 312,870	\$ 78,370	\$ 234,500	\$ -	\$ 388,682	\$ 75,812
Administrative Costs						
Permit Fees & Hook ups	\$ 410,000	\$ 260,000	\$ 150,000		\$ 18,118	\$ (391,882)
IOR/Special Inspections	\$ -					\$ -
Site Survey, Testing, Boring & Reports	\$ 67,500	\$ 27,500	\$ 40,000		\$ 15,250	\$ (52,250)
Testing Services	\$ 40,000		\$ 40,000			\$ (40,000)
Legal Fees	\$ 30,000	\$ 10,000	\$ 20,000		\$ 36,512	\$ 6,512
Move-in Start-up	\$ -			tdb		\$ -
Internal Project Management	\$ -					\$ -
3rd Party Project Management	\$ 100,000	\$ 20,000	\$ 80,000		\$ 126,820	\$ 26,820
Other Administrative Costs (includes Commissioning, Auditing, EIR)	\$ -					
Total Administrative Cost	\$ 647,500	\$ 317,500	\$ 330,000	\$ -	\$ 196,700	\$ (450,800)
Land & Site Development						
Land Acquisition	\$ -			\$ 890,000	\$ 903,112	\$ 13,112
Off Site Development	\$ -	tdb				
Total Land & Site Development Budget	\$ -	\$ -	\$ -	\$ 890,000	\$ 903,112	\$ 13,112
Total (Construction+ Equipment + A/E Fees+ Admin Costs)	\$ 4,865,445	\$ 1,401,945	\$ 3,463,500	\$ 1,682,000	\$ 1,488,495	\$ (5,058,950)
Owner Reserves						
Owner's Contingency	\$ 486,545	\$ 140,195	\$ 346,350			
Project Escalation - other than construction	\$ -	\$ -	\$ -			
Total Owner Reserves	\$ 486,545	\$ 140,195	\$ 346,350	\$ -	\$ -	\$ -
Total Project Capital Cost excluding Financing	\$ 5,351,990	\$ 1,542,140	\$ 3,809,850	\$ 1,682,000	\$ 1,488,495	\$ (5,058,950)
Financing Costs (Final)	107,040	30,843	76,197		\$ 16,039	
Total Project Capital Cost including Financing	\$ 5,459,029	\$ 1,572,982	\$ 3,886,047	\$ 1,682,000	\$ 1,504,534	\$ (5,058,950)



MARK TWAIN
HEALTH CARE DISTRICT

P. O. Box 95
San Andreas, CA 95249
(209) 754-4468 Telephone
(209) 754-2537 Fax

July 17, 2018

Diede Construction
Attn: Brett Diede
12393 N Hwy. 99, W. Frontage Road
Lodi, CA 95240

Re: Letter of Intent to Award

Dear Mr Diede,

Mark Twain Health Care District, a political subdivision of the state of California ("**District**"), is pleased to inform you that Diede Construction, Inc., a California corporation ("**Contractor**"), submitted the lowest bid for construction of the District's Valley Springs health clinic facility project consisting of an approximately 10,000 square foot building (including approximately 8,500 square feet of finished construction and approximately 1,500 square feet of shell construction) to be located at 51 Wellness Way, Valley Springs, California (the "**Project**").

Unfortunately, all bids received are in excess of the amount the USDA has agreed to finance. Consequently, the District has applied for supplemental financing from the USDA. Given the unexpected higher cost to construct the Project and the need for supplemental financing from the USDA, this Letter of Intent to Award (this "**LOI**") sets forth the terms under which the District is willing to award Contractor a contract to construct the Project.

1. **Award of Bid.** Reference is hereby made to Contractor's bid for construction of the Project dated July 2, 2018 (the "**Bid**") and related bid documentation all of which are attached hereto as Exhibit A (collectively, the "**Bid Package**"). The District accepts and awards Contractor's Bid subject to satisfaction of the following conditions precedent:
 - a) The District's obtaining supplemental financing from the USDA in the amount of \$800,000.00 (the "**Supplemental Financing**") on or before September 28, 2018 (the "**Supplemental Financing Date**"); and
 - b) The parties' execution of the Agreement between Owner and Contractor in substantially the form attached hereto as Exhibit B (the "**Construction Contract**") within ten (10) business days after the Supplemental Financing Date (the "**Contract Execution Date**").

This Institution is an Equal Opportunity Provider and Employer

2. **Waiver of Claims.** The District will not be liable for and Contractor hereby waives any and all claims for extensions of the contract time, increases in the contract price and/or damages of any kind whatsoever to the extent arising from any delay in contract execution or failure of the District to obtain supplemental financing for the Project as provided herein; provided, however, that any deadlines in the Construction Contract will be extended for a reasonable amount of time, subject to USDA requirements, to the extent the time for performance therefor has passed or will have passed by the Contract Execution Date.

3. **Conflicting Terms.** In the event of an inconsistency or conflict between this LOI and the Bid Package or Construction Contract, the terms of this LOI shall prevail and control. By means of illustration but not limitation of the previous sentence, any provision of the Bid Package or Construction Contract that may provide a basis for Contractor to claim time extensions, contract price increases, or damages shall be governed by the waiver in Section 2 above, and such provision shall be revised accordingly before execution of the Construction Contract.

4. **LOI Termination.** In the event the District fails to obtain the Supplemental Financing on or before the Supplemental Finance Date or the parties fail to execute the Construction Contract on or before the Contract Execution Date, this LOI shall automatically terminate and be of no further for or effect.

5. **Governing Law.** This LOI shall be governed by and construed in accordance with the laws of the State of California.

If you are in agreement with the understandings set forth in this LOI, please date and sign and date where indicated below and return to us at the address set forth on the first page hereof on or before 5:00 p.m. Pacific Time on _____, July 17, 2018.

Sincerely,

MARK TWAIN HEALTH CARE DISTRICT

Randall Smart, M.D., Executive Director

ACCEPTED & AGREED BY CONTRACTOR as of July 17 _____, 2018:

Diede Construction, Inc.

By: _____

Name: Steven L Diede

Title: President

Mark Twain Health Care District Mission Statement

“Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides high quality, professional and compassionate health care”.

This Institution is an Equal Opportunity Provider and Employer