



## NOTICE OF REGULAR MEETING OF THE BOARD OF DIRECTORS

### MENDOCINO COAST HEALTH CARE DISTRICT

Thursday, March 27, 2025 - 5:00 PM  
Redwoods Room, Adventist Health Mendocino Coast Hospital Campus  
700 River Drive, Fort Bragg, CA.

Supporting documentation for this agenda is available on the website at: <https://www.MendocinoChCd.gov>. Individuals who need this agenda in an alternative format or who need a disability-related modification or accommodation in order to participate in the meeting should contact the District at 707-962-3175 at least 72 hours prior to the meeting. This Board Meeting is being held in person and via Zoom, in accordance with the Brown Act. **If you plan to access the meeting via Zoom**, please contact the District via email at [info@mendocinochcd.gov](mailto:info@mendocinochcd.gov) not later than 9:00 am on the day of the meeting to request a Zoom link, which will be provided to you shortly before the meeting starts.

### CONDUCT OF BUSINESS

#### 1. CALL MEETING TO ORDER

1a) Roll Call: Paul Garza Jr. (Chair), Jan McGourty (Vice Chair), Susan Savage (Secretary), Lynn Finley (Treasurer), Paul Katzeff (Member).

#### 2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA

Members of the public are welcome to address the Board on items not listed on the agenda, but within the jurisdiction of the Board. Time is limited to 5 minutes per speaker with a 20-minute total time limit for public comments. No action or discussion shall be taken on any item presented except that the Board may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters pertaining to the Board may be scheduled for discussion at a future meeting or referred to staff for clarification or a report, at the pleasure of the Board. If general public comment exceeds the 20 minute time limit, members of the public who have not had the opportunity to speak on items not on this agenda will have the opportunity to do so after the business on the agenda is concluded, at the discretion of the Chair. Members of the public may send email to the board at: [info@mendocinochcd.gov](mailto:info@mendocinochcd.gov) or leave a phone message at (707) 962-3175. The Board Chair may mute or remove anyone disrupting the meeting with inappropriate behavior. The meeting will conclude at 8:00pm. Any unfinished business will be carried over to a subsequent meeting.



### 3. CONSENT CALENDAR

The Consent Calendar will be acted upon by the Board at one time without discussion. Any Board member may request that any item be removed from the Consent Calendar for individual consideration.

#### ITEMS RECOMMENDED FOR APPROVAL:

3a) *Draft Minutes of the 2/27/2025 Regular meeting*

3b) *Letter in support of CDFA Farm To Community Food Hubs Grant application*

#### **Public Comment**

### 4. REPORTS

4a) Receive and file March 2025 MCHCD Board Chair's Report - Paul Garza Jr.  
Recommended Action: None. This item is for information only.

Attachments: *March 2025 MCHCD Board Chair's Report.*

4b) Receive and file Standing Planning Committee Report - Jan McGourty, Committee Chair.  
Recommended Action: None. This item is for information only.

4c) Receive and file ad hoc Thrift Shop Committee Report - Paul Katzeff and Susan Savage, Committee members.  
Recommended Action: None. This item is for information only.

4d) Receive and file March 2025 Agency Administrator's Report - Katharine Wylie.  
Recommended Action: None. This item is for information only.

Attachments: *March 2025 Agency Administrator's Report.*

#### **Public Comment**

### 5. NEW BUSINESS

5a) Receive and file Check Register Report - 2/28/25; Actual vs. Budget Report - 2/28/25; Treasury Bill Inventory Portfolio - 2/28/25; and Summary of Cash Balances - 2/28/25 - CFO Wayne Allen.

Recommended Action: Accept and file Check Register Report - 2/28/25; Actual vs. Budget Report - 2/28/25; Treasury Bill Inventory Portfolio - 2/28/25; and Summary of Cash Balances - 2/28/25.



Attachments: *Check Register Report - 2/28/25; Actual vs. Budget Report - 2/28/25; Treasury Bill Inventory Portfolio - 2/28/25; and Summary of Cash Balances - 2/28/25.*

**Public Comment**

5b) Receive and consider approval of the BETA Risk Management Authority Liability Renewal quote, dated 3/20/25 - Chair Garza.  
Recommended Action: Approve the BETA Risk Management Authority Liability Renewal quote, dated 3/20/25.

Attachments: *BETA Risk Management Authority Liability Renewal quote, dated 3/20/25*

**Public Comment**

5c) Receive and consider approval of contract amendments for Chartis Services in the amount of \$25,000, dated 3/10/2025 - Chair Garza.  
Recommended Action: Adopt the contract amendments for Chartis Services in the amount of \$25,000, dated 3/10/2025.

Attachments: *Chartis Services contract in the amount of \$25,000, dated 3/10/2025*

**Public Comment**

5d) Receive and consider approval of the Regional Government Services contract amendment for Administrative Services, dated 3/24/25 - Chair Garza.  
Recommended Action: Approve the Regional Government Services contract amendment for Administrative Services, dated 3/24/25.

Attachments: *Staff Report - Sophia Selivanoff Executive Director, Regional Government Services; Regional Government Services contract amendment for Administrative Services, dated 3/27/25;*

**Public Comment**

**6. COMMENTS FROM THE BOARD**

**7. ADJOURNMENT**

The next Regular Meeting of the Board will be held on April 24, 2025, at 5:00 pm, at the Redwoods Room, 700 River Drive, Adventist Health Mendocino Coast Hospital, Fort Bragg, Ca.



*MCHCD provides a hospital and fosters leadership, advocacy and collaboration  
for our community health and well-being.*

Dated: March 24, 2025

*Katharine D. Wylie*

Katharine D. Wylie  
MCHCD Agency Administrator



Under negotiation: price and terms of payment.

**3c) Gov. Code §54956.9(d)(4): Conference with Legal Counsel: Initiation of Litigation:** One (1) potential case.

Chair Garza announced the Closed Session items.

Chair Garza called for public comment.

Malcolm Macdonald provided general comments regarding the Closed Session items.

Seeing no additional comments, Chair Garza closed public comment.

Chair Garza called a recess and led the Board into Closed Session at 5:06 p.m. The Closed Session adjourned and the Regular Meeting reconvened at 6:05 p.m.

### **3d) Report Out from Closed Session**

Chair Garza reported the Board directed staff to post the 60 day notice on the website and take action to close the 60 day least agreement discussions. He reported there was not reportable action on Items 3b or 3c.

## **2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA**

*This item was heard out of order.*

Chair Garza called for public comment. Seeing no one come forward, he closed public comment.

## **5. NEW BUSINESS**

### **5d) Receive and consider adoption of the Board Bylaws amendment, dated 2/27/2025**

*This item was heard out of order.*

Chair Garza and Agency Administrator Wylie presented the report summarizing the recommended edits and fielded inquiries from the Board.

Chair Garza called for public comment.

Gabriel Maroney provided general comments regarding the presentation.

Malcolm Macdonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

General discussion amongst the Board commenced regarding the appointment of public members, Chair's role, and general responsibilities of the Planning Committee.

**Motion:** Vice Chair McGourty made a motion to remove Article III, Section 2: Standing Committees. Planning’s third bullet point language “Recommending and overseeing Human Resource policies, compensation”. Motion was seconded by Secretary Savage. The motion was approved by a 4 Yes/0 No/1 Abstain (Katzeff) vote.

**Motion:** Vice Chair McGourty made a motion to remove Article III, Section 2: Standing Committees. Planning’s language stating “and up to Six community members,”. Motion was seconded by Chair Garza. The motion failed by a 2 Yes/3 No (Finely/Katzeff/Savage) vote.

**Motion:** Vice Chair McGourty made a motion to retain Article III, Section 2: Standing Committees. Planning’s fourth bullet point language “Recommending community members as appropriate for Board appointment to the Planning Committee.”. Motion was seconded by Vice Chair Finley. The motion was approved by a 4 Yes/0 No/1 Abstain (Katzeff) vote.

**Motion:** Secretary Savage made a motion to retain Article III, Section 2: Standing Committees. Finance’s language stating “and up to Six community members,”. Motion was seconded by Chair Garza. The motion was approved by a 5 Yes/0 No vote.

#### **4. REPORTS**

##### **4a) Receive and file February 2025 MCHCD Chair’s Report**

Chair Garza reported on his written report and provided updates on general matters of interest to the District.

##### **4b) Receive and file Adventist Health Mendocino Coast Hospital Report**

No report was provided.

##### **4e) Receive and file February 2025 Agency Administrator’s Report**

Administrator Wylie provided updates on general matters of the District and fielded inquiry from the Board.

Chair Garza called for public comment.

Malcolm Macdonald provided general comments regarding the presentation.

Gabriel Maroney provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

General discussion commenced amongst the Board. The Board directed staff to draft a letter to the Legislation opposing the Legislative resolution restricting funding for medical agencies.

## **5. NEW BUSINESS**

### **5a) Receive and file Check Register Report - 1/31/25; Actual vs. Budget Report - 1/31/25; Treasury Bill Inventory Portfolio - 1/31/25; and Summary of Cash Balances - 1/31/25**

Chief Financial Officer Allen summarized his written report.

Chair Garza called for public comment.

Terry Ramos provided general comments regarding the presentation.

Malcolm Macdonald provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comments.

**Motion:** Treasurer Finley made a motion to accept, receive, and file the financial reports. Motion was seconded by Secretary Savage. The motion was approved by a 4 Yes/0 No/1 Abstain (Katzeff) vote.

### **5b) Receive and consider approval of Adventist Health Mendocino Coast Hospital Capital Expense Reconciliation Report dated 7/1/2020 through 1/31/2025, recognizing \$4,283,815 of additional CapEx purchases and a cash transfer of \$667,141 from the Operations Fund into the Improvements Fund**

Adventist Health Mendocino Coast Hospital Facilities Manager Peter Johnston and Chief Financial Officer Allen summarized the written report and requested approval of the Capital Expense Reconciliation Report.

Chair Garza called for public comment.

Terry Ramos provided general comments regarding the presentation.

Seeing no further comments, Chair Garza closed public comment.

**Motion:** Vice Chair McGourty made a motion to accept and approve the Capital Expense Reconciliation Report. Motion was seconded by Treasurer Finley. The motion was approved by a 5 Yes/0 No vote.

### **5c) Receive and consider adoption of the Board Mission Statement revision, dated 2/17/2025**

Agency Administrator Wylie presented the report.

Chair Garza called for public comment.

Gabriel Maroney provided general comments to the agenda item.

Seeing no further comments, Chair Garza closed public comment.

**Motion:** Vice Chair McGourty made a motion to adopt the revised Mission Statement. Motion was seconded by Treasurer Finley. The motion was approved by a 5 Yes/0 No vote.

**5d) Receive and consider adoption of the Board Bylaws amendment, dated 2/27/2025**

*This item was heard out of order.*

**6. CONSENT CALENDAR**

**6a) Draft Minutes of the 1/23/2025 Regular meeting**

**6b) Draft Minutes of the 2/17/2025 Special Board Workshop meeting**

**6c) Savings Bank Resolution 2025-4 to obtain district bank statements**

Chair Garza called for public comment.

Malcolm Macdonald spoke to Item 6c inquiring regarding the need for the Treasurer as a signer and purpose of resolution.

Seeing no further comments, Chair Garza closed public comment.

Chair Garza fielded the inquiry from public comment.

**Motion:** Secretary Savage made a motion to approve Consent Calendar items. Motion was seconded by Treasurer Finley. The motion was approved by a 5 Yes/0 No vote.

**7. COMMENTS FROM THE BOARD**

Treasurer Finley requested an Ad Hoc Committee be considered to bring community organizations together with the purpose to discuss gaps in health needs in the community. Chair Garza requested an agenda item at the next Board Meeting for discussion and consideration.

Director Katzeff requested a report on Mr. Macdonald's public records request and it be resolved in an honorable manner, noted the Ad Hoc Committee on the hospice store will reconvene. Chair Garza replaced Treasurer Finley with Secretary Savage as the Ad Hoc Committee Member and requested a report be provided at the next Board Meeting.

Vice Chair McGourty noted the Ad Hoc Committee on Community Meetings will be provided at the next Board Meeting, requested discussion at the next Board Meeting for memberships of professional organizations, reported she had been working on the possibility of the Neva-Canon Room be a location for future Board Meetings.

Secretary Savage requested a report regarding Measure C at the next Board Meeting.

**8. ADJOURNMENT**

Seeing no further business, Chair Garza adjourned the meeting at 8:39 p.m.

Respectfully Submitted,

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Norma I. Alley, MMC, Clerk of the Board



March 27, 2025

California Dept. of Food and Agriculture  
Via Email submission to: [cafoodhubs@cdfa.ca.gov](mailto:cafoodhubs@cdfa.ca.gov)

Subject: Letter of Support for Mendocino Coast Community Cannery's Application to the Farm to Community Food Hubs Grant Program

Dear CDFRA Review Committee,

The Mendocino Coast Health Care District Board of Directors is proud to support the Mendocino Coast Community Cannery's application to the *Farm to Community Food Hubs Grant* Program. Our coastal region faces ongoing challenges related to food insecurity, limited access to healthy local food, and the economic pressures on small farmers and food producers. The Cannery's proposal offers a practical solution to these issues.

By preserving and transforming locally grown produce into shelf-stable products, the Cannery will provide year-round access to nutritious food for schools, healthcare facilities, and food assistance programs. It will also create new income opportunities for farmers and local producers, ensuring they can thrive while contributing to a healthier food system.

This project strengthens both community health and economic resilience, while honoring the region's agricultural and indigenous food traditions. We believe the Cannery's focus on sustainability, education, and collaboration will have lasting benefits for our residents. We encourage you to fund this critical initiative, which will positively impact food security, public health, and the livelihoods of producers in our rural community. Thank you for your consideration.

Sincerely,

Paul Garza Jr.  
Chair, Board of Directors



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MENDOCINO COAST HEALTH CARE DISTRICT  
775 RIVER DRIVE, FORT BRAGG 95437

MEMORANDUM

TO: MCHCD Board of Directors  
FROM: Paul Garza, Jr.  
DATE: March 27, 2025  
SUBJECT: Monthly Report

Medicaid Funding

Beckers is reporting that there have been 10 hospital closures in the US this year already, 5 of which occurred in February. This follows a record number of hospitals, 25, closed last year. Prior to the new Administration taking office, Beckers already reported 703 rural hospitals were within six months of closure because of the lack of reserves. Clearly, this is a very difficult time for healthcare in general and hospitals, especially.

There are consistent reports that Medicaid will be substantially cut if not completely eliminated in the next budget. If that occurs, the impact upon our local hospital could well lead to its closure. Last year, Adventist Health received \$81 Million for services provided at our hospital. They report that 78% of the payment came from Medicare and Medicaid/MediCal. MediCal, of course, is the State’s program but it is funded 60% by Medicaid. Of the 78% (Medicare and Medicaid/MediCal), it is estimated by Adventist Health that half or 50% is received from Medicaid/MediCal. We can calculate the impact from a ‘ballpark’ perspective upon our hospital as follows:

- Adventist Health Mendocino Coast 2024 Income      \$81M
- Medicare/Medicaid/MediCal Reimbursement      \$81 M x 78% = \$63.18 M
- Medicaid/MediCal Reimbursement      \$63.18 x 50% = \$31.59 M
- Potential Lost Revenue      **\$31.59 M - - - or 39%**

Very few institutions, private, public, or otherwise can survive a 39% loss in revenue. Of course, this does not even begin to consider the impact of reduction of the health of the residents of our community nor its substantial negative economic impact.

I urge all of our citizens to stay informed and to express any concerns they may have to federal elected officials.

### Standing Committees

We have adopted and are executing on two or our three Standing Committees: Planning and Measure C. In April we expect to have a Finance Committee. All Standing Committee meetings are open to the public and are conducted according to the Open Meetings/Brown Act.

### Community Outreach

We are looking for opportunities to communicate to community groups. If you know of a local group that is meeting and would be interested in learning about our work with the hospital, please let us know. You can either call, text or email Kathy Wylie or myself.

Kathy Wylie, District Manager, 707.962.3175 [info@mendocinohcd.gov](mailto:info@mendocinohcd.gov)

Paul Garza, Chair, Board of Directors, 714.348.9844 [pgarza@mendocinohcd.gov](mailto:pgarza@mendocinohcd.gov)

MENDOCINO COAST HEALTH CARE DISTRICT  
775 RIVER DRIVE, FORT BRAGG 95437

TO: MCHCD Board of Directors

FROM: Jan McGourty, MPA

DATE: March 25, 2025

SUBJECT: Planning Committee Report

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The planning committee has met twice now. We have been quickly working to get organized and up to speed. At the first meeting on April 10, we had a tour of the hospital, hosted by Facilities Manager, Peter Johnson. The half hour left of the meeting was spent hearing the report on the 2030 Team report, information gathered by Dr. Robin Serrahn and discussing the procedure to recommend members for the planning committee. Ms. Wylie had prepared a draft notice and application for review. Her recommendations were approved with one revision to Question #5 on the application. It is now being submitted to the MCHCD board of directors for approval. Before adjourning, the committee also agreed to meet twice a month

The second meeting was held on March 24. Ms. Wylie had again prepared a draft for the scope of work for the committee. The members went over each point and made some slight alterations. The chair also offered some suggestions for Consultation, Consolidation and Communication in the scope of work. The scope was approved by the committee to submit to the MCHCD board. They then acknowledged receipt of the Seismic Plan and heard Peter present the 2025 Capital Expenditure Plan that has already been approved by the MCHCD board. He explained each item and noted whether it might be subject to revision when hospital upgrades may be made. The committee then discussed a timeline, and Paul Garza noted that the HCAI money has been allocated for this year and it would be to our advantage to get our plans in as soon as possible. It was agreed by the committee to recommend a proposed goal of July 1, 2025 for submission to HCAI. The six meetings prior to that date were laid out for discussion.

The next meeting of the planning committee will be on Thursday, April 17.



## **Planning Committee Membership Application**

Interested persons are hereby notified that there are currently several vacancies on the District's Planning Committee.

The District Planning Committee, established by the District's Bylaws, advises the MCHCD Board. It includes two Board members and up to six district residents. The Board Chair serves as the committee chair, with a second Board member appointed annually in January. All committee members are bound to the public meeting requirements of the Ralph M Brown Act. Resident members serve two-year volunteer terms without compensation, and all public member appointments require MCHCD Board approval. The committee meets at least quarterly and reports to the MCHCD Board.

The purpose of the Planning Committee includes but is not limited to:

- Developing a plan and performing oversight for projects authorized by the Board;
- Developing a plan and performing oversight for ongoing facilities maintenance and a five-year facilities improvement plan;
- Recommending community members as appropriate for Board appointment to the Planning Committee.

If interested in serving on the Planning Committee please submit your complete application to the District Office by mail or email:

Mail to:  
MCHCD - Kathy Wylie  
PO BOX 579  
Fort Bragg, CA 95437-0579

Email: [info@mendocinohcd.gov](mailto:info@mendocinohcd.gov)

Message Phone: 707 962-3175

Applications are available on the district website and will be accepted until 5pm on \_\_\_\_\_, 2025



*MCHCD provides a hospital and fosters leadership, advocacy and collaboration  
for our community health and well-being.*

**Please print clearly.**

Name: \_\_\_\_\_

Organization Name (if any): \_\_\_\_\_ Title: \_\_\_\_\_

Address \_\_\_\_\_  
Street city Zip code

Phone #1: \_\_\_\_\_ Phone #2: \_\_\_\_\_

Email: \_\_\_\_\_

Are you an employee of Adventist Health?  Yes  No

How long have you been a resident in the District? \_\_\_\_\_

What is your current occupation? \_\_\_\_\_

Are you 18 or older?  Yes  No

What is your daytime/evening availability to attend meetings?

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**Volunteer Acknowledgement**

By signing below, I hereby acknowledge and understand that the position for which I am applying is a volunteer position and that, if appointed, I will not be entitled to compensation or employee benefits.

Date: \_\_\_\_\_

Applicant Signature: \_\_\_\_\_



Supplemental Questionnaire - Page 1

1. Briefly describe your interest in serving on the MCHCD Planning Committee.

2. List and briefly describe any participation in volunteer, community or professional organizations relevant to your candidacy for the Planning Committee:

3. I have sufficient time to devote to this responsibility and will attend the required meetings if appointed to the Planning Committee:

Yes    No



Supplemental Questionnaire - Page 2

4. What is your experience with facilities management and/or preparing and reviewing budgets?

5. What other information about you is important in review of your application? (Attach any additional information you wish to be considered).

Applicant Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## **Draft Planning Committee Scope of Work**

- Explore Legal and Financial Implications of Seismic Retrofit of the Hospital
- Achieve Brown Act Compliance
- Make recommendations to the MCHCD Board

All Planning committee work is advisory-only to the Board. Committee and Board involvement in business planning must be structured to adhere to public meeting requirements under the Brown Act and applicable law. Issues involving Adventist Health business intelligence should first occur at a staff-to-staff level to maintain Adeventist Health business confidentiality and avoid Brown Act compliance issues.

### **The Planning Committee will:**

Prioritize understanding capital expenditures and building maintenance costs;

Perform proper financial oversight, defined in the lease agreement between Adventist Health and the District;

Collaborate with Adventist Health to develop facility retrofit and modernization plans with financing options;

Focus on consultation by engaging staff and qualified community members in reviewing hospital plans and providing suggestions for efficiency and cost savings;

Conduct preliminary discussions with the Community to determine potential facility models, including their costs, and the resulting impacts on district finances and the district's capacity to maintain and repair its hospital facilities;

Create a timeline for retrofit/modernization project completion by 2030;

Implement the Board's strategic facilities plan;

Share progress and report findings and information back to the Board and community, with recommendations on how to proceed with facilities seismic retrofit and modernization projects.

Proposal: Community Outreach Meetings  
Jan McGourty, Susan Savage

All meetings 6:00 – 8:00 PM

Meetings to be offered in person & via Zoom noted with \*

Tues April 15	Caspar	Garza/ Katzeff
Thurs April 17	Westport/ Cleone	Finley/ Savage
Mon Apr 21	*Fort Bragg in Spanish	Garza/ Savage
Wed Apr 23	*Albion	McGourty/ Finley
Tues April 29	Comptche	Savage/ McGourty
Thurs May 1	*Mendocino	Finley/ Katzeff
Mon May 5	*Fort Bragg	Garza/ McGourty

Outline:

Summary of input from the previous meetings

Summary of the EMC poll

Update on choices being considered

Update on district financials

Community input

Next steps



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5a)

Mendocino Coast Health Care District			
Check Register- Month ended February 28, 2025			
Vendor	Date	Amount	Description
BETA Healthcare Group	2/3/2025	\$ 963.42	Monthly pymt- General Liab Insurance
BETA Healthcare Group	2/25/2025	\$ 963.42	Monthly pymt- General Liab Insurance
CA Health Facilities Financing Authority	2/4/2025	\$ 13,802.02	Monthly pymt- HELP Loan
DZA - PLLC	2/27/2025	\$ 14,000.00	Progress Audit pymt- FY 2020/2021
Lee Finney	2/7/2025	\$ 168.00	Office Supplies
MCN	2/13/2025	\$ 94.52	Monthly pymt- Internet
Mendo Litho	2/13/2025	\$ 113.67	Office Supplies
Props & Measures	2/13/2025	\$ 2,500.00	Marketing, Research and Analysis
Props & Measures	2/13/2025	\$ 2,500.00	Marketing, Research and Analysis
Props & Measures	2/13/2025	\$ 2,500.00	Marketing, Research and Analysis
Regional Government Services	2/7/2025	\$ 736.00	Support Services
Regional Government Services	2/13/2025	\$ 13,200.00	Monthly Admin Services
Regional Government Services	2/13/2025	\$ 13,200.00	Monthly Admin Services
RWG Law	2/7/2025	\$412.50	Professional Legal Fees
Silverton Management Company	2/7/2025	\$ 7,500.00	Monthly Contract pymt- CFO Fees
The Bank of New York Mellon	2/3/2025	\$ 47,062.50	Monthly pymt- Revenue Bonds
United States Postal Service	2/7/2025	\$ 382.00	Rental Fee- Post Office Box
	TOTAL	\$ 120,098.05	

MENDOCINO COAST HEALTH CARE DISTRICT  
 FISCAL YEAR ENDING JUNE 30, 2025  
 ACTUAL VS. BUDGET STATEMENT

OPERATIONS CHECKING ACCOUNT

Month Ended February 28, 2025

Eight Months Ended February 28, 2025

	Actual	Budget	(Over)	Under	Actual	Budget	(Over)	Under
<b>1. INCOME</b>								
(a) Measure C Tax Revenue	0	129,167	129,167		964,647	1,033,336	68,689	
(b) Property Tax Revenue	0	87,500	87,500		729,717	700,000	(29,717)	
(c) AH Lease Revenue	0	0	0		1,750,000	1,750,000	0	
(d) Investment Income	21,106	55,179	34,073		368,973	441,432	72,459	
(e) Other Income	0	0	0		52,687	0	(52,687)	
<b>2. TOTAL INCOME</b>	<b>\$21,106</b>	<b>\$271,846</b>	<b>(\$250,740)</b>		<b>\$3,866,024</b>	<b>\$3,924,768</b>	<b>(\$58,744)</b>	

	Actual	Budget	(Over)	Under	Actual	Budget	(Over)	Under
<b>3. EXPENSES - DISTRICT OPERATIONS</b>								
(a) Purchased Services- RGS Administrative	26,400	6,600	(19,800)		92,400	92,400	0	
(b) Purchased Services- RGS Support Resources	736	2,083	1,347		17,776	16,664	(1,112)	
(c) Projects/Consultants	7,500	4,167	(3,333)		40,344	33,336	(7,008)	
(d) Community Organization & Outreach	0	4,167	4,167		0	33,336	33,336	
(e) Communications Director	0	2,917	2,917		0	23,336	23,336	
(f) Purchased Services- Audit	14,000	7,125	(6,875)		23,538	57,000	33,463	
(g) Purchased Services- Legal	413	3,000	2,588		36,709	24,000	(12,709)	
(h) Board Elections Fee	0	2,667	2,667		0	21,336	21,336	
(i) Purchased Services- Financial Oversight	7,500	1,500	(6,000)		46,500	21,000	(25,500)	
(j) Purchased Services- Bookkeeping	0	1,330	1,330		6,656	10,640	3,984	
(k) Bond Trustee Fee	0	256	256		2,575	2,048	(527)	
(l) Board Meetings & Postings	0	600	600		2,400	4,800	1,125	
(m) Board Benefits	0	3,000	3,000		13,469	24,000	10,531	
(n) Board Education	0	2,083	2,083		0	16,664	16,664	
(o) Insurance (D & O and General Liability)	1,927	963	(964)		33,202	32,238	(964)	
(p) Office Expenses (Supplies, Postage)	664	550	(114)		5,465	4,400	(1,065)	
(q) Communication Expenses (Phone, Internet)	95	390	295		4,276	3,120	(1,156)	
<b>TOTAL- District Operating Expenses</b>	<b>\$59,234</b>	<b>\$43,398</b>	<b>(\$15,836)</b>		<b>\$325,308</b>	<b>\$420,318</b>	<b>\$93,735</b>	

	Actual	Budget	(Over)	Under	Actual	Budget	(Over)	Under
<b>4. RESTRICTED PAYMENTS</b>								
(A) Payments to Lease Improvements Fund	0	0	0		2,251,024	2,251,024	0	
(B) Payments to BNY Revenue Bond Escrow	47,063	39,355	(7,708)		300,352	305,134	4,782	
(C) Payments to HELP II Loan Amortization	13,802	13,802	0		110,416	110,416	0	
(D) Payments to Measure C Fund	0	0	0		854,552	854,552	0	
<b>TOTAL- Restricted Payments</b>	<b>\$60,865</b>	<b>\$53,157</b>	<b>(\$7,708)</b>		<b>\$3,516,344</b>	<b>\$3,521,126</b>	<b>(\$4,782)</b>	
<b>5. TOTAL PAYMENTS</b>	<b>\$120,098</b>	<b>\$96,555</b>	<b>(\$23,543)</b>		<b>\$3,841,652</b>	<b>\$3,941,444</b>	<b>\$98,517</b>	

Mendocino Coast Health Care District  
 Restricted Capital Fund  
 Recap of Treasury Bill Inventory Portfolio (Current Holdings)  
 Monthly Investment Board Report as of 02-28-2025

DESCRIPTION	PAR VALUE	PURCHASE PRICE	FOOTNOTE (A)		PURCHASE DATE	MATURITY DATE	INVESTMENT RATE %
			INVESTMENT	INCOME			
<b>4 WEEKS</b> PURCHASE 1	\$1,019,800.00	\$1,016,432.96	\$3,367.04		02/25/25	03/25/25	4.318%
<b>8 WEEKS</b> PURCHASE 1	\$2,000,000.00	\$1,986,824.44	\$13,175.56		02/25/25	04/22/25	4.322%
<b>13 WEEKS</b> PURCHASE 1	\$3,500,000.00	\$3,461,072.23	\$38,927.77		12/05/24	03/06/25	4.511%
PURCHASE 2	\$2,113,000.00	\$2,090,593.68	\$22,406.32		01/30/25	05/01/25	4.299%
<b>17 WEEKS</b> PURCHASE 1	\$1,700,000.00	\$1,676,285.95	\$23,714.05		12/24/24	04/22/25	4.339%
<b>26 WEEKS</b> PURCHASE 1	\$1,160,600.00	\$1,135,545.87	\$25,054.13		09/26/24	03/27/25	4.425%
PURCHASE 2	\$2,064,700.00	\$2,019,763.52	\$44,936.48		12/05/24	06/05/25	4.462%
<b>TOTALS</b>	<b>\$13,558,100.00</b>	<b>\$13,386,518.65</b>	<b>\$171,581.35</b>				

FOOTNOTE (A)

MATURITY MONTH	INVESTMENT INCOME
Jun-24	\$43,050.01
Jul-24	\$50,038.81
Aug-24	\$54,533.22
Sep-24	\$13,052.27
Oct-24	\$24,080.00
Nov-24	\$57,500.64
Dec-24	\$89,091.91
Jan-25	\$6,977.87
Feb-25	\$19,848.88

Sub Total \$358,173.61

Mendocino Coast Health Care District  
Recap of Treasury Bill Inventory Portfolio (Matured)  
as of 02-28-2025

	PAR VALUE	PURCHASE PRICE	INVESTMENT INCOME	PURCHASE DATE	MATURITY DATE	INVESTMENT RATE %
<b>4 WEEKS</b>						
PURCHASE 1	\$3,000,000.00	\$2,987,691.66	\$12,308.34	05/07/24	06/04/24	5.370%
PURCHASE 2	\$2,500,000.00	\$2,489,752.78	\$10,247.22	05/14/24	06/11/24	5.365%
PURCHASE 3	\$4,000,000.00	\$3,983,604.44	\$16,395.56	05/21/24	06/18/24	5.365%
PURCHASE 4	\$1,000,000.00	\$995,901.11	\$4,098.89	05/28/24	06/25/24	5.365%
PURCHASE 5	\$3,043,000.00	\$3,030,527.08	\$12,472.92	06/11/24	07/09/24	5.365%
PURCHASE 6	\$2,700,000.00	\$2,688,933.00	\$11,067.00	06/11/24	07/09/24	5.365%
PURCHASE 7	\$2,500,000.00	\$2,489,772.23	\$10,227.77	06/18/24	07/16/24	5.355%
PURCHASE 8	\$4,000,000.00	\$3,983,728.88	\$16,271.12	06/25/24	07/23/24	5.324%
PURCHASE 9	\$1,000,000.00	\$995,901.11	\$4,098.89	07/02/24	07/30/24	5.365%
PURCHASE 10	\$3,093,000.00	\$3,080,322.13	\$12,677.87	07/16/24	08/13/24	5.365%
PURCHASE 11	\$2,700,000.00	\$2,688,933.00	\$11,067.00	07/16/24	08/13/24	5.365%
PURCHASE 12	\$2,500,000.00	\$2,489,752.78	\$10,247.22	07/23/24	08/20/24	5.365%
PURCHASE 13	\$4,000,000.00	\$3,983,557.76	\$16,442.24	07/30/24	08/27/24	5.381%
PURCHASE 14	\$1,198,000.00	\$1,193,098.85	\$4,901.15	08/20/24	09/17/24	5.355%
PURCHASE 15	\$2,000,000.00	\$1,991,848.88	\$8,151.12	08/27/24	09/24/24	5.335%
PURCHASE 16	\$1,000,000.00	\$991,864.44	\$8,135.56	08/06/24	10/01/24	5.346%
PURCHASE 17	\$2,000,000.00	\$1,984,055.56	\$15,944.44	08/27/24	10/22/24	5.238%
PURCHASE 18	\$2,000,000.00	\$1,974,444.16	\$25,555.84	08/22/24	11/21/24	5.192%
PURCHASE 19	\$2,500,000.00	\$2,468,055.20	\$31,944.80	08/22/24	11/21/24	5.192%
PURCHASE 20	\$1,000,000.00	\$992,758.89	\$7,241.11	10/08/24	12/03/24	4.754%
PURCHASE 21	\$2,700,000.00	\$2,655,553.49	\$44,446.51	08/20/24	12/17/24	5.134%
PURCHASE 22	\$2,024,100.00	\$2,009,647.93	\$14,452.07	10/29/24	12/24/24	4.687%
PURCHASE 23	\$2,000,000.00	\$1,977,047.78	\$22,952.22	09/26/24	12/26/24	4.656%
PURCHASE 24	\$2,106,000.00	\$2,099,022.13	\$6,977.87	12/31/24	01/28/25	4.334%
PURCHASE 25	\$1,000,000.00	\$993,420.00	\$6,580.00	12/24/24	02/18/25	4.317%
PURCHASE 26	\$2,000,000.00	\$1,986,731.12	\$13,268.88	12/31/24	02/25/25	4.353%
<b>TOTALS</b>	<b>\$59,564,100.00</b>	<b>\$59,205,926.39</b>	<b>\$358,173.61</b>			



**Welcome to Your Account Summary**  
**Mendocino Coast Health Care District**  
**Restricted Capital Fund**

Your last login was 02-28-2025 10:55 a.m. ET

**Buy and manage your U.S. Treasury securities online.**

**Your Current Securities Total: \$13,558,100.00**

**Primary Account Information**

**Current Holdings as of February 28, 2025**

Security Type	Amount
<a href="#">MARKETABLE SECURITIES</a>	\$13,558,100.00
SAVINGS BONDS	\$.00
Zero-Percent C of I	\$.00



Mendocino Coast Health Care District	
Summary of Cash Balances as of February 28, 2025	
Fiscal Year Ending June 30, 2025	
	2/28/2025
<b><u>Measure C Fund:</u></b>	
Tri Counties Bank (Measure C Tax Revenue Account)	\$968,436
<b><u>Restricted Capital Fund:</u></b>	
Treasury Bills- U.S. Treasury	\$13,386,519
<b><u>Operations Fund:</u></b>	
Tri Counties Bank (Operations Account)	\$396,038
LAIF	\$625,516
TOTAL	<u>\$15,376,509</u>



BETA RISK MANAGEMENT AUTHORITY  
A PUBLIC ENTITY

5b)

March 20, 2025

Katharine Wylie  
Agency Administrator  
Mendocino Coast Health Care District  
P.O Box 579  
Fort Bragg, CA 95437

**RE: Mendocino Coast Health Care District  
July 1, 2025 BETA Risk Management Authority Liability Renewal Quotes**

Dear Ms. Wylie:

Attached to this email please find a renewal quote and coverage summary for the liability line(s) of coverage that BETA Risk Management Authority is proposing to renew at the above referenced organization on July 1, 2025.

BETA Healthcare Group's (BETA) Underwriting Staff has carefully reviewed your organization's liability renewal information and has made every effort to quote a contribution that balances the program's shared costs with the exposures and claims experience of each member. Similar to past renewals, BETA's underwriters will outline the specific details of each member's renewal in the email that accompanies this letter. If you have any questions regarding the renewal quote(s) or would like to consider additional limit or deductible options, please do not hesitate to contact your underwriter or me.

When you are ready to bind coverage, please email your underwriter. Invoices and coverage documents will be forwarded after receipt of binding confirmation.

Thank you very much for your continued support of BETA Healthcare Group.

Sincerely,

A handwritten signature in black ink that reads 'Michele D. Reager'.

Michele D. Reager, CPCU  
Vice President of Underwriting

Attachments

# Directors, Officers And Trustees Liability Renewal Quote

**March 20, 2025**

**Named Member: Mendocino Coast Health Care District**

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## COVERAGE INFORMATION AND RENEWAL QUOTE TERMS

<i>Issuing Company</i>	BETA Risk Management Authority (BETA <sub>RMA</sub> ); A.M. Best Company rating: A (Excellent); FSC VIII
<i>Coverage</i>	Directors, Officers and Trustees Liability, coverage includes: <ul style="list-style-type: none"><li>• Entity coverage</li><li>• Duty to defend</li><li>• Employment practices liability</li><li>• Anti-trust coverage sub-limit - \$1 million per claim</li></ul>
<i>Form</i>	D&O (07/2024)
<i>Type</i>	Claims Made and Reported
<i>Effective Date</i>	July 01, 2025
<i>Retroactive Date</i>	March 01, 2021
<i>Contract Period</i>	July 01, 2025 at 12:01 a.m. to July 01, 2026 at 12:01 a.m.
<i>Liability Limits</i>	\$4 million per occurrence and \$4 million aggregate <i>Defense expenses are paid within the limits of liability</i>
<i>Indemnity and Defense Deductible</i>	Deductibles applicable to Section 2 Coverages Coverage (A): \$0 each Claim Coverage (B): \$10,000 each Claim including Defense Expenses Coverage (C): \$10,000 each Claim including Defense Expenses Coverage (D): \$25,000 each Claim including Defense Expenses Coverage (E): \$0 each Claim
<i>Annual Contribution</i>	<b>\$26,770</b> BETA <sub>RMA</sub> reserves the right to re-rate based on a material change in projected exposures

# Healthcare Entity Comprehensive Liability Renewal Quote

**March 20, 2025**  
**Named Member: Mendocino Coast Health Care District**

**COVERAGE INFORMATION AND RENEWAL QUOTE TERMS**

*Issuing Company* BETA Risk Management Authority (BETA<sub>ARMA</sub>); A.M. Best Company rating: A (Excellent); FSC VIII

*Coverage* Healthcare Entity Comprehensive Liability, *coverage includes:*

- General Liability (occurrence)
  - Bodily Injury and Property Damage
  - Personal Injury and Advertising Injury Liability
  - Employee Benefit Administration Liability
  - Fire and Water Damage Legal Liability sub-limit

*Form* HCL (07/2024)

*Effective Date* July 01, 2025

*Contract Period* July 01, 2025 at 12:01 a.m. to July 01, 2026 at 12:01 a.m.

*Liability Limits* \$5 million per occurrence and \$5 million aggregate  
*All defense expenses are paid outside of the per occurrence limits*  
*All sub-limits are subject to the per occurrence and aggregate limits*

*Deductible* \$1,000 Indemnity Only

<b>Mendocino Coast Health Care District</b>	
<b>2025 Annual Contribution Due</b>	\$11,908.11
Monthly Installment Contribution Due	\$992.34

BETA<sub>ARMA</sub> reserves the right to re-rate based on a material change in projected exposures



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March 10, 2025

Paul Garza, Jr.  
Chair, Board of Directors  
Mendocino Coast Health Care District  
775 River Drive  
Fort Bragg, CA 95437

**Re: Letter of engagement for Strategic & Operational Assessment**

Dear Paul,

Thank you for giving The Chartis Group, LLC (Chartis) the opportunity to work with your team through the Strategic & Operational Assessment. Chartis has been privileged to work with rural hospitals like yours for more than a decade now, and our collective experience provides us with a deep knowledge base, client network, and perspective on what it takes to make meaningful and sustainable change. We are uniquely qualified to help rural hospital leadership teams better understand performance through the lens of objective, comparative analytics and industry-leading research.

The Strategic & Operational Assessment provides a comprehensive review of facility Financial Performance, Costs & Charges, local Population Health dynamics, patient outmigration, Market Share, and performance profiles of local rural competitors. The assessment includes an extensive executive summary that will help inform and guide the Board, hospital leaders and frontline decision makers. Once the assessment is delivered, Chartis will conduct a review session (conducted via Zoom) with your team.

The fee for the assessment is \$25,000. We expect the assessment to be delivered within 5 weeks from receipt of California All-payer Claims Data.

Should you choose to engage with Chartis for additional services, we will use the terms and conditions of this Letter of Engagement to govern any additional engagement.

We are looking forward to working with you and your team. Please do not hesitate to contact me directly if you have any questions or wish to discuss this engagement.

Please do not hesitate to contact me directly if you have any questions or wish to discuss this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Topchik". The signature is fluid and cursive, with the first name "Michael" and last name "Topchik" clearly distinguishable.

Michael Topchik  
Executive Director, The Chartis Center for Rural Health  
207-939-4618  
[mtopchik@chartis.com](mailto:mtopchik@chartis.com)

The parties have executed this proposal as of the date first set forth below.

Mendocino Coast Health Care District

The Chartis Group, LLC

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Paul Garza Jr. - MCHCD Board Chair

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Name  
Director

---

Date

---

Date

# Appendix: Chartis Commercial Terms & Conditions

## 1. Performance of services; data flow

a) **Performance of services.** The Chartis Group, LLC (“Chartis”) will perform consulting services for Mendocino Coast Health Care District (“Client”) as described in the letter of engagement or proposal to which these Terms & Conditions are attached (“Services”) in compliance with such letter of engagement or proposal (“LOE”), these Chartis Commercial Terms & Conditions (“Terms & Conditions”) and all applicable federal, state, and local laws.

b) **Data flow.** Client shall provide to Chartis all documents, data and information that are reasonably requested by Chartis and that (i) are necessary for the performance of the Services; and (ii) may lawfully be shared by Client with Chartis. Chartis will use such documents, data and information only to perform the Services, using commercially reasonable efforts to prevent confidential information (as defined below) of Client from being disclosed to any third party in violation of these Terms & Conditions.

## 2. Invoicing, reimbursement of expenses, remittance, IRS regulation, legal process.

a) **Invoicing.** Client shall compensate Chartis for the performance of the Services in accordance with the LOE. Chartis will invoice Client for its professional fees and reimbursable travel and business-related expenses (as set forth in Section 2.b. below) to the billing contact person for Client listed below (a) in accordance with the payment schedule set forth in the LOE, or (b) if there is no payment schedule in the LOE, on a monthly basis.

Billing Contact: Katharine Wylie, PO BOX 579, Fort Bragg, CA 95437-0579  
[kwylie@mendocinohcd.gov](mailto:kwylie@mendocinohcd.gov) 707.962-3175

b) **Travel and business-related expense reimbursement.** Client shall reimburse Chartis for travel and business-related expenses reasonably incurred in connection with the performance of the Services, including, without limitation, travel to Client’s premises and travel to Chartis’ premises for team work sessions, which expenses may include the following:

- i. air, auto, or other transit related travel expenses related to the Services;
- ii. meal expenses;
- iii. lodging expenses if the Services require overnight stays; and
- iv. miscellaneous travel-related expenses (taxi, parking and tolls, etc.).

c) **Remittance.** Client shall pay Chartis the amount stated on each invoice for its professional fees and reimburse all travel and business-related expenses within thirty days of the date of the invoice. All payments due of amounts not reasonably disputed shall be made by check, bank wire transfer, or ACH transaction to a bank account designated by Chartis on the invoice. If Client in good faith, disputes the amount of an invoice issued by Chartis, Client shall pay Chartis the undisputed portion of the invoice within thirty (30) days of the date of the invoice, and provide Chartis with written notice of the portion of the invoice in dispute and the reasons for such dispute within fifteen (15) days of the date of the invoice. The parties shall use commercially reasonable efforts to reconcile the disputed amounts as soon as commercially practicable. If the parties agree that Client owes some or all of the disputed amount, then Client shall pay such amount within thirty (30) days from the date of the parties’ agreement. All payments shall be made in U.S. dollars. Overdue amounts shall bear interest at an annual rate equal to 1.5% per month or the highest rate permitted by applicable law (whichever is lower) from thirty (30) days after the applicable due date until the date full payment is received by Chartis. In the event that the due date

of any payment subject to this section is a Saturday, Sunday or national holiday, such payment may be paid on the next business day.

d) **Legal process.** If Chartis is requested by Client or any third-party, by subpoena, court order, investigation, or other legal or regulatory proceeding to produce documents or testimony pertaining to Client or the Services, and Chartis is not named as a party in the proceeding, Client will pay Chartis for its professional time, plus out-of-pocket expenses, costs, and fees, as well as reasonable attorney fees, incurred by Chartis in responding to such request.

### 3. Client delays

In addition to the events described under Section 9.d below, there are two specific situations that are beyond Chartis' control and that may cause Chartis to spend more time and/or incur more expenses to perform of the Services. The two situations are:

a) **Insufficient resources.** Client provides insufficient personnel, information, and/or other resources to fulfill its obligations under the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming aware that it appears that the Client-provided resources are, or will be, below agreed upon levels.

b) **Unforeseen schedule slippage.** Client fails to stay within the timeline agreed to in the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming aware that it appears that the Client is not keeping, or will not keep, pace with the agreed timeline.

The types of situations set forth above are not typically encountered during an engagement between Chartis and its clients. However, if such a situation arises, Chartis will notify Client promptly and work with Client to determine if Chartis will be required to provide any additional time and/or resources as a result of a situation under Sections 3.a or 3.b above. In the event that the parties determine that Chartis will be required to provide additional time and/or resources, then upon written agreement between Chartis and Client, Client shall pay Chartis the amount agreed upon for such additional time and/or resources.

### 4. Termination.

a) **Completion of services.** Unless earlier terminated under Section 4.b below, the LOE shall terminate upon the completion of the Services by Chartis in accordance with the LOE.

b) **Material breach.** If either party (the "non-breaching party") believes that the other party (the "breaching party") has materially breached one or more of its obligations under the LOE or these Terms & Conditions, then the non-breaching party shall deliver written notice of such material breach to the breaching party specifying the nature of the alleged breach in reasonable detail (a "default notice"). The non-breaching party shall have the right to terminate a LOE upon written notice to the breaching party if the breach set forth in the default notice has not been cured within thirty (30) days after breaching party receives the default notice. Notwithstanding the foregoing sentence, if such material breach, by its nature, cannot be remedied within such thirty (30) day cure period, but can be remedied over a longer period not expected to exceed sixty (60) days, then such thirty (30) day period shall be extended for up to an additional thirty (30) days, provided that the breaching party supplies the non-breaching party with a reasonable written plan for curing the material breach and uses commercially reasonable efforts to cure the material breach in accordance with such written plan.

c) **Termination of the services of a member of the team.** If Client judges the performance of the Services by a member of Chartis' team unsatisfactory for any reason other than reasons that violate applicable law, Client may request in writing the removal of that member from

the engagement, and Client shall not be liable for any fees for the performance of Services by that member after the date of such removal.

d) **Effect of termination.** Upon termination of the LOE:

i. Client shall promptly pay Chartis for Services provided and expenses incurred through the date of termination; and

ii. the receiving party will (a) return to the disclosing party all of the disclosing party's confidential information in its possession; or (b) destroy such confidential information in accordance with applicable National Institute of Standards and Technology (NIST) and Department of Defense (DoD) standards; provided that the receiving party may retain one (1) copy of such confidential information solely for purposes of ensuring compliance with the terms of this agreement. Notwithstanding the above, the receiving party may retain any of disclosing party's confidential information that is contained or embedded in receiving party's archived computer back-up systems in accordance with automated document retention, security, or disaster recovery procedures, provided such confidential information shall remain subject to the terms of Section 8.a of these Terms & Conditions as long as it is retained by receiving party.

e) **Survival.** The provisions of Sections 2 (Invoicing, reimbursement of expenses, remittance, IRS regulation, legal process), 4.d (Effect of termination), 4.e (Survival), 5 (Solicitation or hiring of employees), 6 (Indemnification and insurance), 7 (Limitation of liability), 8 (Confidentiality and proprietary information; intellectual property; non-reliance and regulatory disclosures), and 9 (Miscellaneous) of these Terms & Conditions will survive the expiration or termination of the LOE.

5. **Solicitation or hiring of employees.**

During the term of the LOE and for a period of twelve (12) months thereafter, neither party will knowingly employ or solicit for employment any employee, contractor or consultant of the other party who performed any of such party's obligations under the LOE without the prior written consent of the other party. This section shall not restrict either party from offering employment or employing any employees, contractors or consultants of the other party who responds to any general advertisement or other general recruiting method used in the ordinary course of business. For the avoidance of doubt, each party understands and agrees that its violation of this section may cause the other party to suffer significant damages, including, but not limited to, loss of revenues, loss of profits and loss of business opportunities.

6. **Indemnification and insurance.**

Chartis shall indemnify, defend and hold harmless Client from and against any against any third party claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorney's fees) (each, a "claim") arising from (a) the negligence or willful misconduct of Chartis in the performance of the Services, or (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Chartis.

Client shall indemnify, defend and hold harmless Chartis from and against any claim arising from (a) the negligence or willful misconduct of Client, (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Client, or (c) Client's use of any deliverables (as defined in Section 8.b).

Each party must notify the other party within thirty (30) days after learning of any claim made for which the other party is obligated to provide indemnification as set forth above. The indemnifying party will have the sole right to defend, negotiate, and settle any such claim. The indemnified party will be entitled to participate in the defense of such claim and to employ counsel at its expense to

assist in such defense; provided, however, that the indemnifying party will have final decision-making authority regarding all aspects of the defense of any claim for which it is providing indemnification. The indemnified party will provide the indemnifying party with such information and assistance as the indemnifying party may reasonably request, at the expense of the indemnifying party. Neither party will be responsible or bound by any settlement of any claim made without its prior written consent, which will not be unreasonably withheld or delayed. Further, the indemnifying party may not admit liability on the part of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed.

Each party shall maintain sufficient insurance or a program of self-insurance to cover its indemnification obligations set forth above. Upon written request, each party will provide evidence of such insurance to the other party.

#### **7. Limitation of liability.**

Excluding any liability resulting from a party's indemnification obligations under Section 6 of these Terms & Conditions or a party's breach of Section 8 of these Terms & Conditions, neither party shall be responsible or liable to the other party with respect to the subject matter of the LOE for any indirect, incidental, special or consequential damages, including, but not limited to, loss of profits, loss of revenues, or loss of business opportunity. With the exception of injunctive relief and specific performance, monetary damages shall be Client's exclusive remedy for any claims arising from the LOE and these Terms & Conditions. Chartis' liability to Client arising from the LOE and/or these Terms & Conditions shall be limited to actual damages and shall not exceed the total amount paid by Client to Chartis for the Services under which such liability arises.

#### **8. Confidentiality and proprietary information; intellectual property; non-reliance and regulatory disclosures.**

a) **Confidential information.** For purposes of these Terms & Conditions, "confidential information" means confidential or proprietary information furnished by a party ("disclosing party") to the other party ("receiving party") pursuant to the LOE, including, without limitation, such information relating to the disclosing party's business strategy, information systems, patents, software and hardware. The receiving party shall treat all confidential information of the disclosing party as proprietary and confidential and will use such confidential information only to perform its obligations under the LOE. The receiving party shall not disclose the disclosing party's confidential information to any third party except to (i) those third parties who have entered into confidentiality agreements that provide the same protection that disclosing party's confidential information has under these Terms & Conditions, and (ii) those employees and third parties that have a need to know disclosing party's confidential information in order to perform receiving party's obligations under the LOE. The obligations of confidentiality and non-use set forth herein shall not apply to any confidential information that:

i. at the time of disclosure or after disclosure is generally known by the public other than as a result of a breach of this Section 8.a by the receiving party;

ii. is generally known to receiving party prior to the disclosure hereunder as evidenced by receiving party's written records;

iii. is disclosed to receiving party by a third party having no obligation of confidentiality to the disclosing party;

iv. is developed by receiving party independent of the LOE or these Terms & Conditions and without any use of or reliance upon the disclosing party's confidential information; or

v. is approved in writing for disclosure by disclosing party.

In the event that the receiving party is required by applicable regulation or law to disclose any of the disclosing party's confidential information to a third party, the receiving party shall, if legally permitted to do so, promptly notify the disclosing party in writing of such requirement. Upon the written request of the disclosing party, the receiving party shall cooperate in any lawful efforts by the disclosing party to seek a protective order or otherwise limit or prevent such disclosure, and if no such order or prevention is obtained, the receiving party shall only disclose such portion of the disclosing party's confidential information that it is legally required to disclose.

The confidentiality obligations set forth above shall survive for five (5) years after the expiration or termination of the LOE.

If any of Client's confidential information is "Protected Health Information" as defined by the U.S. Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, Chartis' duties and obligations relating to such information shall be governed by a separate business associate agreement entered into by Client and Chartis, and not the LOE and/or these Terms & Conditions.

Except for the immediately preceding paragraph, to the extent that these provisions conflict with the terms of any confidentiality agreement between the parties previously entered into in connection with the Services, these terms will govern.

b) **Deliverables.** All data, information and reports generated by Chartis solely in the performance of the Services in accordance with the LOE ("Deliverables") shall be owned by Client.

c) **Pre-existing property.** Notwithstanding any other provision of the LOE or these Terms & Conditions, Chartis' pre-existing solutions, methodologies, processes, tools, and materials ("Chartis pre-existing property") are and shall remain the sole and exclusive property of Chartis. Chartis may use, for itself or others, without permission from Client, all pre-existing solutions, methodologies, processes, tools, and materials that may be included in, or be a basis for the deliverables. Further, the Chartis pre-existing property is proprietary to Chartis, and Client shall not disclose any Chartis pre-existing property to any third party without Chartis' prior written consent. If Chartis uses any Chartis pre-existing property in any of the deliverables, Chartis agrees to grant to Client, as of the date Client receives such deliverables from Chartis and Chartis receives payment for such deliverables in accordance with the LOE and these Terms & Conditions, a non-exclusive, non-transferable license to use such Chartis pre-existing property in the form included in the deliverables in order to use such deliverables for their intended purpose.

d) **Non-reliance.** In the event that Client discloses any of the deliverables to a third party ("recipient"), Client shall (i) ensure that prior to such disclosure each recipient signs a non-reliance letter approved by Chartis; and (ii) be responsible for such recipient's use, reliance upon or disclosure of such deliverables. Chartis and its affiliates and each of their respective directors, officers, employees, agents, advisors and representatives shall have no liability to Client or recipient, whether direct or indirect, in contract, tort or otherwise, regardless of the nature of the allegation or claim, arising from or in connection with the use, reliance upon or disclosure of any of the deliverables by Client and/or any recipient. Client shall indemnify, defend and hold harmless Chartis and its affiliates and each of their respective directors, officers, employees, agents, advisors and representatives from and against any claims arising from the use, reliance upon or disclosure of any of the deliverables by Client and/or any recipient.

e) **Regulatory disclosures.** Prior to disclosing any deliverables to a regulatory or governmental authority, Client shall obtain the prior written approval of Chartis, which approval shall not be unreasonably withheld or delayed.

9. **Miscellaneous provisions.**

a) **Modification or amendment.** No modification or amendment of the LOE will be valid unless it is in writing and signed by the authorized representatives of both parties.

b) **Insurance.** Chartis shall carry, at its own cost and expense, commercial general liability insurance coverage in an amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

c) **Notices.** All notices, requests, demands, or other communications required or permitted by the applicable LOE or these Terms & Conditions will be given in writing and delivered to the respective party at the following addresses:

For The Chartis Group, LLC:  
Attn: \_\_\_\_\_  
The Chartis Group, LLC  
220 West Kinzie Street, 3<sup>rd</sup> floor  
Chicago, IL 60654

For Client:  
Mendocino Coast Health Care District  
Katharine Wylie, Agency Administrator  
PO BOX 579  
Fort Bragg CA 95437-0579  
707-962-3175                      kwylie@mendocinohcd.gov

or to such other address as either party may from time to time notify the other party in writing and will be deemed to be properly delivered (i) immediately upon being served personally, (ii) two days after being deposited with the postal service if served by registered mail, or (iii) the following day after being deposited with an overnight courier.

d) **Force majeure.** Neither party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond its control, including but not limited to, governmental actions or restrictions, war, terrorism or insurrections, strikes, fires, floods, work stoppages, embargoes, pandemics, equipment, telecommunications, power, or electrical failures; provided that, if possible, the affected party promptly notifies the other party of the cause and its effects on the obligations to be performed hereunder by the affected party. The affected party shall use its reasonable efforts to mitigate the effect of the event of force majeure upon its performance of its obligations under the LOE. Upon conclusion of the event of force majeure the affected party shall as soon as reasonably practicable notify the other party of such conclusion and recommence the performance of its obligations under the LOE. In the event that the affected party fails to recommence the performance of its obligations under the LOE, the other party may terminate the LOE upon thirty (30) days written notice to the affected party.

e) **Independent contractor.** Chartis will perform the Services in its capacity as an independent contractor for Client. Chartis and employees are not employees of Client and are not entitled to participate in health or disability insurance, retirement benefits, or pension benefits to

which employees of Client may be entitled. Neither party will not hold itself out as a partner, agent, employee or joint venture partner of the other party.

f) **Entire agreement.** The LOE, these Terms & Conditions and any attachments, as well as any separate business associate agreement between the parties, constitute the entire agreement between the parties regarding the Services and supersedes any prior and contemporaneous agreements, representations and understandings of the parties regarding the Services.

g) **Governing law and jurisdiction.** The LOE and these Terms & Conditions will be governed by and interpreted in accordance with the laws of the State of Illinois, without regard to its conflict of laws rules. Chartis and Client specifically consent and agree that the courts of the State of Illinois and/or the federal courts located in Chicago, Illinois will have exclusive jurisdiction over each of the parties in any proceedings arising from the LOE or these Terms & Conditions.

h) **Taxes.** Client shall pay all taxes relating to the LOE and the Services, including any sales or gross receipts taxes, but excluding any taxes measured by the income of Chartis and excluding any employment taxes relating to employees of Chartis. Notwithstanding the preceding sentence, if Client is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, Chartis shall take all reasonable actions to cause the provision of the Services under the LOE to be treated as a tax-exempt transaction. Upon written request, Client shall provide Chartis with certificates evidencing its tax-exempt status.

i) **Assignment; binding effect.** Neither party may assign any of its rights or delegate any of its respective obligations under the LOE or these Terms & Conditions without the prior written consent of the other party. A LOE and these Terms & Conditions shall be binding on and inure to the benefit of the parties hereto and their permitted successors and assignees.

j) **Section and other headings.** Section and other headings in the LOE and these Terms & Conditions are for reference purposes only and shall not be used in any way to govern, limit, modify, construe, or otherwise affect the LOE or these Terms & Conditions.

k) **Counterparts; delivery by facsimile or email.** The LOE and/or these Terms & Conditions may be executed in any number of counterparts with the same effect as if both parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement. The LOE and these Terms & Conditions and any amendments, to the extent signed and delivered by means of a facsimile machine or email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version delivered in person.

## Signature page

By signing below, both parties acknowledge that they have read, understood, and agree to these Terms & Conditions.

ACCEPTED AND AGREED TO:

The Chartis Group, LLC

By: \_\_\_\_\_

Printed name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED AND AGREED TO:

Mendocino Coast Health Care District

By: \_\_\_\_\_

Date: \_\_\_\_\_

Paul Garza Jr. , Chair of the MCHCD Board



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**TO: BOARD OF DIRECTORS** **BOD Meeting: 03/27/2025**  
**FROM: Paul Garza, Board Chair** **Item: 5d)**  
**SUBJECT: REVIEW AND CONSIDER APPROVAL OF AMENDMENT No. 2 TO**  
**THE CONTRACT FOR ADMINISTRATION SERVICES WITH**  
**REGIONAL GOVERNMENT SERVICES**

### **RECOMMENDATION**

Board to consider and approve an amendment to the existing contract for administration services with Regional Government Services Authority.

### **BACKGROUND**

Upon affiliation with Adventist Health in 2020, the District Board relinquished an active operational role in the Mendocino Coast District Hospital. As the District had relied upon hospital administration for staff support, this resulted in the Board of Directors operating without any administrative support. In December of 2023, the Board retained Regional Government Services Authority (RGS), a JPA providing administration consulting services to other public agencies, to address a range of critical agency administration issues, particularly the effective use of Board meetings to accomplish necessary work, and to provide transparency to the community. In March of 2024, the Board retained a contract CFO to address financial management and records needs. RGS and the contract CFO are working effectively together to provide a high-functioning administrative resource to support the Board's decision making around critical health care facility needs, which are essential to the community.

In June of 2024, RGS proposed to extend their service agreement with the District for an additional 12 months (through June 30, 2025) in order to accomplish critical foundational administrative infrastructure and guidance for the District. It was anticipated that the District would be positioned to reduce administration services by 50% in January 2025, with stable administration achieved and goal clarity established. However, since June 2024, a range of emergent and high-priority issues and options to ensure ongoing hospital access for the community have been a key focus of the Board. The Board's consideration of these issues, while a necessary and positive step, has resulted in ongoing need for substantial administration, along with a clear value derived from the continuity of the administrative team to the extent possible. In October of 2024, RGS notified the District that the project to identify and present ongoing administrative options had been placed on hold as immediate

consideration of long-term administration needs is not required at this time and would in fact represent a diversion of Board focus that does not serve the District or community well at this time. Other projects described, election support and strategic planning services are completed or in process.

**ANALYSIS**

The District has made outstanding progress, with updated bylaws, a set of Board policies, transparent financial reports, and effectively run Board meetings. The creation of the District’s administrative foundation has positioned the Board to engage in the serious and significant work of grappling with the complex and costly issues of an aging facility which no longer aligns with state requirements or the needs of modern medical technology and health care workflows.

Extending the District’s agreement with RGS through June 30, 2026 will allow the District to complete a strategic framework, and act promptly to maintain a health care facility to meet the needs of the community. This dynamic work will continue to need the full-time support of a key administrator, as well as RGS team support for the work of the Board and Standing Committees; this support includes clerking public meetings, providing appropriate outreach to the community if needed, and maintaining website and social media resources for community information and engagement.

Failure to take this action compromises the District’s ability to achieve necessary landlord responsibilities, and undermines the District’s long-term capacity to sustain healthcare access for this community.

A draft amendment and revised scope of services to amend and extend the RGS contract is attached for the Board’s consideration.

**FISCAL IMPACT**

The additional funds needed to retain these services through the remainder of this FY total \$39,600.00, and are available; authorization to expend them will be approved via this action to amend the agreement. Funds for this agreement for the next FY total \$182,400.00, and will be included and approved in the FY25-26 budget.

## Exhibit B-2

### Scope of Services

#### 1. Agency administration services – Flat Fee of \$13,200 per month

- Includes an average of 40 service hours per week.
- Key activities include but are not limited to:
  - Prepare reports and agendas for Board and committee meetings in Consultation with the Board Chair in accordance with agency By-laws.
  - Arranging relevant presentations, information, updates, and analysis for Board consideration at meetings.
  - Coordination of committee and Board activity and communication.
  - Facilitating the policy decisions and priorities of the District's Board of Directors.
  - Coordinate District administrative and project activities with other contracted service providers, District partnering organizations including Adventist Health, and others.
  - Ensure District records are maintained in compliance with applicable law and Board policy.
  - Serve as an information provider for the District's residents via website updates, press releases, and other means; attend meetings with community stakeholders, and represent the District at public and professional functions as needed.
  - Ensure the office is a functional and usable space.
  - As requested by the Chair, provide local support for and facilitate the actions of the District's contracted CFO.

#### 2. Supplemental administration consulting and support services – Hourly billing per Exhibit A of the agreement

- Service hours vary, based on agency needs, requests, and events.
- Key activities include but not limited to:
  - Facilitate timely and compliant governance meeting practices; production of Board actions and minutes.
  - Compliance with Public Records Act requests in appropriate collaboration with District counsel.
  - Prepare RFP's and other procurement processes
  - Develop, negotiate, and monitor District contracts for technical and other services as needed.
  - Ensure effective implementation of appropriate website and social media messaging, and coordinating media relations if needed.
  - Consult on any required matter in the field of public administration.