

THRIVE 2026

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COMMUNITY AT HEART.



Soledad Community
HEALTH CARE DISTRICT

APRIL 16, 2026 AGENDA

SPECIAL MEETING OF THE BOARD OF DIRECTORS (FINANCE)

Agenda

SOLEDAD COMMUNITY HEALTH CARE DISTRICT
Special Meeting of the Board of Directors (Finance)
April 16, 2026 @ 10:00 a.m.

Board members and members of the public may attend this meeting in person at the District Office located at 612 Main Street, Soledad, Ca 93960 in the Creekside Room

1. Call to Order

2. Roll Call

Anne Trebino
Rosemary Guidotti
Ken Klemme
Graig Stephens
Francisco Barajas

3. Pledge of Allegiance

4. Reading of the District’s Mission Statement – To be read by a District Board Member
“To anticipate and provide services to meet the health care needs of the people we serve.”

5. President’s Welcome
Introductions and Welcome – Graig Stephens

6. Public Comment
Members of the public are welcome to participate in the meetings of the Board. Comments of the public will be accepted during the Public Comment portion of the agenda only. No action or comments will be taken by the Board on matters not on the agenda. When the Board President recognizes a member of the public for oral comment, such comment shall be three (3) minutes or less, at the discretion of the Board President. We would like a calm presentation so that the importance of what you are presenting is not overshadowed by the manner of the presentation.

7. Resolution No. 2026-08 of the Soledad Community Health Care District. Consideration and Adoption of a Debt Management Policy and Disclosure Procedures– Dr. Ida Lopez Chan, CEO: David G. Ritchie, Interim General Counsel

BOARD ACTION: _____

8. Resolution No. 2026-09 of the Soledad Community Health Care District. Consideration and Adoption of an Amended Reserves Policy – Dr. Ida Lopez Chan, CEO: David G. Ritchie, Interim General Counsel

BOARD ACTION: _____

9. Presentation: The Board will receive a presentation from Wulff Hansen & co., the District's Municipal Advisors relating to the District's current debt obligations and potential restructuring alternatives

BOARD ACTION: Receive presentation and provide staff direction only

10. Resolution No. 2026-10 A Resolution of the Board of Directors of the Soledad Community Health Care District to Approve Healthcare Management Strategies LLC (HMS) Agreement –

BOARD ACTION: _____

11. New Meeting Date April 30, 2026 – Dr. Ida Lopez Chan

BOARD ACTION: _____

12. Adjournment to the next meeting

Regular District Board Meeting – Thursday, April 23, 2026 at 4:00 P.M.

Note: Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the District Recording Secretary during regular business hours at 831-678-2462. Notification received 47 hours before the meeting will enable the district to make reasonable accommodations. Open session meeting materials provided to the Board of Directors after the agenda packets are distributed are available at the office of the Recording Secretary located at 612 Main Street, Soledad, California.

RESOLUTION NO.2026-08

**RESOLUTION OF THE SOLEDAD COMMUNITY HEALTH CARE DISTRICT
APPROVING A DEBT MANAGEMENT POLICY AND DISCLOSURE PROCEDURES
FOR PUBLIC DEBT ISSUANCES AND RELATED DISCLOSURE OBLIGATIONS**

RESOLVED, by the Soledad Community Health Care District ("District"), a health care district organized under California's Health Care District Act (Government Code § 32000, et seq.) which provides health care services in the portions of Monterey County, California, as follows:

WHEREAS, pursuant to the provisions of section 8855(i) of the California Government Code, prior to the issuance or incurrence of any debt, the District is required to adopt local debt policies concerning the use of debt and that any proposed debt issuance is consistent with those local debt policies;

WHEREAS, a debt management policy has been developed for the District, and the Board of Directors desires to adopt such policy in connection with any proposed debt of the District;

WHEREAS, from time to time the District incurs indebtedness (including but not limited to bonds, notes and certificates of participation) and, in connection therewith, prepare disclosure documents (a) describing the indebtedness for use in the offering and sale of the indebtedness or interests therein generally known as "official statements" or "placement memoranda" (the "Initial Disclosure Documents"); and (b) as required by continuing disclosure obligations entered into in connection with such indebtedness (the "Continuing Disclosure Documents") which typically are required to be filed with the Municipal Securities Rule Making Board of Electronic Municipal Market Access System (generally known as "EMMA"), and

WHEREAS, to (a) ensure that Initial Disclosure Documents do not contain any material misstatements or omit to state information material to prospective investors in connection with their decision to purchase obligations of the District, (b) ensure that Continuing Disclosure Documents filed with EMMA are timely filed, are accurate and are otherwise in accordance with continuing disclosure obligations of the District, (c) ensure that material event notices and any other filings with EMMA in connection with debt obligations of the District are accurate and comply with all applicable federal and state securities laws, and (d) promote best practices regarding the preparation of Initial Disclosure Documents and Continuing Disclosure Documents, disclosure procedures for public debt issuances and related disclosure obligations has been developed for the District and the Board of Directors desires to adopt such procedures in connection with any proposed debt of the District;

NOW, THEREFORE, it is hereby **ORDERED** and **DETERMINED**, as follows:

Section 1. The debt management policy, in the form attached hereto as Exhibit A (the "Debt Management Policy"), is hereby adopted by the Board of Directors for the District. The Debt Management Policy has been developed to provide guidance in the issuance and management of debt by the District or its related entities and is intended to comply with section 8855(i) of the California Government Code effective on January 1, 2017. The main objectives are to establish conditions for the use of debt, to ensure that debt capacity and affordability are adequately considered, to minimize the District's interest and issuance costs, to maintain the highest possible credit rating, to provide complete financial disclosure and reporting and to maintain financial flexibility for the District.

Section 2. To (a) ensure that Initial Disclosure Documents do not contain any material misstatements or omit to state information material to prospective investors in connection with their decision to purchase obligations of the Public Agencies, (b) ensure that Continuing Disclosure Documents filed with EMMA by the Public Agencies are timely filed, are accurate and are otherwise in accordance with continuing disclosure obligations of the Public Agencies, (c) ensure that material event notices and any other filings with EMMA in connection with debt obligations of the Public Agencies are accurate and comply with all applicable federal and state securities laws, and (d) promote best practices regarding the preparation of Initial Disclosure Documents and Continuing Disclosure Documents, the District Board of Directors hereby adopts disclosure procedures for public debt issuances in the form attached hereto.

Section 3. The Executive Director/CEO, and other appropriate officials of the District are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the provisions and directives of this Resolution.

Section 4. This Resolution shall be effective upon adoption by the Board of Directors.

* * * * *

The foregoing Resolution was duly and regularly passed and adopted by the Board of Directors of the Soledad Community Health -Care District at a meeting of said Board duly noticed and held on the 16th day of April, 2026, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST

Rosemary Guidotti, Secretary
Soledad Community Health Care District

EXHIBIT A
Debt Management Policy

PURPOSE

This Debt Management Policy (the “Debt Policy”) of the SOLEDAD COMMUNITY HEALTH CARE DISTRICT (the “District”) was approved by the District Board of Directors (the “Board of Directors”) on April 16, 2026. The Debt Policy may be amended by Board of Directors as it deems appropriate from time to time in the prudent management of the debt of the District.

The Debt Management Policy has been developed to provide guidance in the issuance and management of debt by the District or its related entities and is intended to comply with section 8855(i) of the California Government Code effective on January 1, 2017. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District’s interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and re-reporting; and to maintain financial flexibility for the District.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the District’s effort to allocate limited resources to provide the highest quality of service to the public. The District understands that poor debt management can have ripple effects that hurt other areas of the District. On the other hand, a properly managed debt program promotes economic growth and enhances the vitality of the District for its residents and businesses.

POLICY

Findings

This Debt Management Policy shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District’s sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District’s debt is consistent with the District’s planning goals and objectives and capital improvement program or budget, as applicable.

ADOPTED _____

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POLICY TITLE: Debt Management Policy
POLICY NUMBER: 2155

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Policies

A) Purposes For Which Debt May Be Issued

The District will consider the use of debt financing primarily for capital improvement projects (CIP) when the project's useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this CIP driven focus is the issuance of short-term instruments such as tax and revenue anticipation notes, which are to be used for prudent cash management purposes and conduit financing, as described below. Bonded debt should not be issued for projects with minimal public benefit or support, or to finance normal operating expenses.

District's Executive Director/CEO or designee will produce reasonable cost estimates, including identifying specific revenue accounts that will provide payment for the debt service. This will allow an analysis of the project's potential impact on the District's debt capacity and limitations. The department director shall also provide an estimate of any incremental operating and/or additional maintenance costs associated with the project and identify sources of revenue, if any, to pay for such incremental costs.

(i) Long-Term Debt.

Long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the District.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the District and its taxpayers and rate-payers.
- When the debt is used to refinance outstanding debt or other obligations in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

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- (c) The District may use long-term debt financings subject to the following conditions:
- The project to be financed has been or will be approved by the Board of Directors.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed unless specific conditions exist that would mitigate the extension of time to repay the debt and it would not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
 - The District estimates that sufficient income or revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
 - The District considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources
- (d) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt ser-vice profile.

In general, refundings which produce a net present value savings of at least three (3) percent of the refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than three (3) percent or negative savings will be considered on a case-by-case basis, and are subject to Board of Directors approval.

- (ii) Short-term debt.
Short-term borrowing may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRAN). Short-term borrowing, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the

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short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board of Directors determines that extraordinary circumstances exist, must not exceed seven (7) years.

Short-term debt may also be used to finance short-lived capital projects; for example, the District may under-take lease-purchase financing for equipment, and such equipment leases may be longer than seven (7) years.

(iii) Financings on Behalf of Other Entities.

The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein. In no event will the District incur any liability or assume responsibility for payment of debt service on such debt.

B) Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the District to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- **General Obligation (GO) Bonds:** General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- **Revenue Bonds:** Revenue Bonds are limited-liability obligations tied to a specific enterprise or special fund revenue stream where the projects financed clearly benefit or relate to the enterprise or are otherwise permissible uses of the special revenue.
- **Lease-Backed Debt/Certificates of Participation (COP/Lease Revenue Bonds):** Issuance of Lease-backed debt is a commonly used form of debt that allows a District to finance projects where the debt service is secured via a lease agreement and where the payments are budgeted in the annual budget appropriation by the District from the general fund. Lease-Backed debt does not require voter approval.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the District will give preference to debt that carries a fixed inter-est rate. An alternative to the use of fixed rate debt is variable

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rate debt. The District may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic re-marketing of securities. When making the determination to issue bonds in a variable rate mode, consideration will be given in regard to the useful life of the project or facility being financed or the term of the project requiring the funding, market conditions, credit risk and third party risk analysis, and the overall debt portfolio structure when issuing variable rate debt for any purpose. The maximum amount of variable-rate debt should be limited to no more than 20 percent of the total debt portfolio.

The District will not employ derivatives, such as interest rate swaps, in its debt program. A derivative product is a financial instrument which derives its own value from the value of another instrument, usually an underlying asset such as a stock, bond, or an underlying reference such as an interest rate. Derivatives are commonly used as hedging devices in managing interest rate risk and thereby reducing borrowing costs. However, these products bear certain risks not associated with standard debt instruments.

C) Relationship of Debt to Capital Improvement Program and Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan. The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear, unless a specific revenue source has been identified for this purpose.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes. The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D) Policy Goals Related to Planning Goals and Objectives

The District is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operating budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

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The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

Except as described in Section 2.A., when refinancing debt, it shall be a policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, a minimum net present value debt service savings equal to or greater than 3% of the refunded principal amount.

E) Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the District’s investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the District Executive Director/CEO.

F) Method of Sale

For the sale of any District-issued debt, the District Executive Director/CEO or designee shall recommend the method of sale with the potential to achieve the lowest financing cost and/or to generate other benefits to the District. Potential methods of sale include:

- A competitive bidding process through which the award is based on, among other factors, the lowest offered true interest cost
- Negotiated sale, subject to approval by the District to ensure that interest costs are in accordance with comparable market interest rates
- Private placement sale, when the financing can or must be structured for a single or limited number of purchasers or where the terms of the private placement are more beneficial to the District than either a negotiated or competitive sale

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G) Waivers of Debt Policy

There may be circumstances from time to time when strict adherence to a provision of this Debt Policy is not possible or in the best interests of the District and the failure of a debt financing to comply with one or more provisions of this Debt Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.

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PROCEDURE: DISCLOSURE PROCEDURES FOR PUBLIC DEBT ISSUANCES

These Disclosure Procedures for Public Debt Issuances and Related Disclosure Obligations (the “Procedures”) of the SOLEDAD COMMUNITY HEALTH CARE DISTRICT (the “District”) were approved by the District Board of Directors (the “Board of Directors”) on April 16, 2026. The Policies may be amended by Board of Directors as it deems appropriate from time to time in the prudent management of the debt of the District.

The Policies will also apply to any debt issued by any public agency for which the Board of Directors acts as **its legislative body**.

A) Purpose

The procedures are intended to (1) ensure that the District’s Initial Disclosure Documents and Continuing Disclosure Documents (as such terms are defined in Section B) (i)(b) below) are accurate and comply with all applicable federal and state securities laws; and (2) promote best practices regarding the preparation of the District’s Initial Disclosure Documents and Continuing Disclosure Documents.

B) Key Participants

(i) Disclosure Practices Working Group

(a) *Composition*. A Disclosure Practices Working Group (the “Disclosure Working Group”) will have general oversight over the entire initial and continuing disclosure process. Members of the Disclosure Working Group shall be appointed from time to time by the Executive Director/CEO and shall consist of persons relevant to the disclosure process. The initial Disclosure Working Group shall include the following persons:

- the Executive Director/CEO;
- the Disclosure Coordinator (as described below);
- the District’s General Counsel;
- any other individuals appointed by the Executive Director/CEO; and
- and a member of the Finance Committee

The Disclosure Working Group shall consult with finance team members for each applicable District debt obligation, or other interested parties as the Executive Director/CEO or any other member of the Disclosure Working Group determines

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is advisable, related to disclosure issues and practices. Meetings of the Disclosure Working Group may be held telephonically.

The Disclosure Working Group is an internal working group of District staff and not a decision-making or advisory body subject to the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

(b) *Responsibilities.* The Disclosure Working Group is responsible for:

- reviewing all Initial Disclosure Documents, and making recommendations to the District Board of Directors or appropriate governing Board of Directors for their approval of Initial Disclosure Documents;
- reviewing all continuing disclosure obligations as contained in Initial Disclosure Documents before such documents are released to the prospective investors, and making recommendations to the District Board of Directors or appropriate governing Board of Directors for their approval of such continuing disclosure obligations;
- reviewing annually the District’s status and compliance with continuing disclosure obligations, including filings of Continuing Disclosure Documents, compliance with these Procedures and the annual report prepared by the Disclosure Consultant as described in Section II (C) below;
- reviewing any items referred to the Disclosure Working Group; and
- evaluating the effectiveness of these Procedures and approving changes to these Procedures.

For purposes of these Procedures, “Initial Disclosure Documents” means disclosure documents describing District indebtedness for use in connection with the offering and sale of the indebtedness or interests therein, including Official Statements (as defined in the next sentence); and “Continuing Disclosure Documents” means (i) annual continuing disclosure reports filed with the Municipal Securities Rulemaking Board (“MSRB”), and (ii) event notices and any other filings with the MSRB. As used in these Procedures, the term “Official Statements” means preliminary and final official statements, private placement memoranda and remarketing memoranda relating to the District’s debt obligations, together with any supplements, for debt obligations for which a continuing disclosure obligation is required.

(ii) Disclosure Coordinator

(a) *Appointment.* The Executive Director/CEO, in consultation with the other members of the Disclosure Working Group, shall select and appoint a Disclosure

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Coordinator. The Executive Director/CEO may serve as the Disclosure Coordinator.

(b) *Responsibilities.* The Disclosure Coordinator is responsible for:

- serving as a “point person” for personnel to communicate issues or information that should be or may need to be included in any Initial Disclosure Document or Continuing Disclosure Document;
- in preparing Initial Disclosure Documents and in anticipation of preparing Continuing Disclosure Documents, soliciting “material” information (as defined in Securities and Exchange Rule 10b-5) from District departments and other relevant District Staff; preparation and dissemination of Initial Disclosure Documents and Continuing Disclosure Documents to make sure that assigned tasks have been completed on a timely basis and making sure that the Continuing Disclosure Documents are filed on a timely basis and are accurate;
- In cooperation with the attorney or attorneys, or financial advisor, preparing any Initial Disclosure Document, and with other District or public agency Staff members with knowledge of the subject matter of the respective debt obligation, (i) reviewing each Initial Disclosure Document with the Disclosure Working Group and (ii) presenting the Initial Disclosure Document to the District Board of Directors on or before the second regularly scheduled District Board of Directors meeting in February each year and before any other appropriate governing Board of Directors for approval, before it is disseminated to the public or prospective purchasers of the related debt obligation, all in order to ensure that all disclosure contained therein and not otherwise attributable to sources other than the District is accurate and does not omit to state information required to be stated therein in order to make the statements therein not misleading in any material respect;
- preparing and filing the required Continuing Disclosure Documents, to the extent such filings are not prepared and filed by the Disclosure Consultant;
- monitoring compliance by the District with these Procedures, including timely dissemination of annual report and event filings as described in Sections III (B) and (C) below;
- recommending changes to these Procedures to the Disclosure Working Group as necessary or appropriate;

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- together with the Executive Director/CEO (if other than the Disclosure Coordinator), coordinating the timely provision of information to the Disclosure Consultant as needed to fulfill its responsibilities to the District;
 - maintaining records documenting the District’s compliance with these Procedures;
 - reviewing compliance with and providing appropriate certifications in connection with the various covenants in documents for debt obligations; and the Disclosure Coordinator shall review the documents for debt obligations to determine which covenants require an annual or regular certification and maintain a list of those with the Disclosure Coordinator (the Disclosure Coordinator may delegate such compliance requirements to the Disclosure Consultant); and
 - ensuring that members of the Disclosure Working Group and the District Board of Directors or other applicable governing Board of Directors approving Initial Disclosure Documents or Continuing Disclosure Documents receive periodic training regarding disclosure responsibilities and practices. 3. *Consultation.* The Disclosure Coordinator shall consult with the disclosure counsel for a respective debt obligation to the extent the Disclosure Coordinator considers appropriate to perform the Disclosure Consultant’s responsibilities.
- (iii) Disclosure Consultant
- (a) *Appointment.* The Executive Director/CEO shall designate or hire, as applicable, a Disclosure Consultant (who may be a District Staff member, an attorney retained as disclosure counsel, a financial advisor or other appropriate consultant) in consultation with the Disclosure Working Group. The Disclosure Consultant shall have significant expertise and experience related to on-going disclosure requirements for municipal securities.
- (b) *Responsibilities.* The Disclosure Consultant is responsible for:
- communicating to the Disclosure Working Group its information needs, reviewing Initial Disclosure Documents, Continuing Disclosure Documents and other relevant information, consulting with appropriate District staff or interested parties needed to confirm that the District is meeting its disclosure obligations; and

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- from time to time, making recommendations to the Disclosure Working Group regarding ways the District may improve these Procedures and methods of meeting District continuing disclosure obligations.

(iv) Others With Responsibility for Initial Disclosure Documents.

Responsibilities of District’s General Counsel. The District’s General Counsel (or a designee) shall review Initial Disclosure Documents and shall draft for Initial Disclosure Documents descriptions of (a) any material current, pending or threatened litigation, (b) any material settlements or court orders and (c) any other legal issues that are material information for purposes of any respective Initial Disclosure Document.

Responsibilities of Executive Director/CEO. The Executive Director/CEO shall review each Initial Disclosure Document, identify any material difference in presentation of financial information from the District’s most recent financial statements and ensure there are no misstatements or omissions of material information in any sections that contain descriptions of information prepared by the Executive Director/CEO (or the Executive Director/CEO’s staff) or of relevance to the finances of the District. In addition, the Executive Director/CEO shall determine whether the District’s then-available financial statements are appropriate to be included in the respective Initial Disclosure Document and whether to seek the consent of the District’s auditor to including financing statements in the respective Initial Disclosure Document.

C) Continuing Disclosure Filings

(i) Overview of Continuing Disclosure Filings

Under the continuing disclosure undertakings it has entered into in connection with its debt offerings, the District is required to file annual reports with the Municipal Securities Rulemaking Board’s (“MSRB’s”) Electronic Municipal Market Access (“EMMA”) system in accordance with such undertakings in each year. Such annual reports are required to include certain updated financial and operating information (or may refer to a publicly-available document), which varies among the different obligations issued by the District, the District’s audited financial statements and other information material to investors.

The District is also required under the continuing disclosure undertakings to file notices of certain events with EMMA.

(ii) Annual Reports

The Disclosure Coordinator shall ensure that the preparation of the District’s annual reports commences as required to satisfy the filing requirements under each specific continuing disclosure obligation. Before any annual report is

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submitted to EMMA, the Disclosure Coordinator shall confer with the Disclosure Working Group as needed regarding the content and accuracy of any annual report. Prior to each filing, the Disclosure Coordinator will review each report with the Disclosure Consultant, and the Disclosure Consultant will confirm in writing (which may be by email) that such report appears to comply with the requirements of the applicable continuing disclosure undertaking.

(iii) Event Filings

Each member of the Disclosure Working Group shall notify the other members of the Disclosure Working Group if he or she becomes aware of any of the material events listed in any of the District’s continuing disclosure undertakings. The Disclosure Working Group may meet to discuss the event and to determine, in consultation with the Disclosure Consultant, whether a filing is required or is otherwise desirable.

(iv) Uncertainty

The Executive Director/CEO may direct questions regarding the disclosure to the Disclosure Consultant, disclosure counsel, bond counsel or the District’s General Counsel or such other counsel or consultant he/she deems appropriate.

D) Continuing Disclosure Documents To Be Retained

The Disclosure Coordinator shall be responsible for retaining records demonstrating compliance with the Continuing Disclosure Document requirements of these Procedures. The Disclosure Coordinator shall retain an electronic or paper file (“Disclosure File”) for each continuing disclosure annual report that the District completes. Each Disclosure File shall include the final version of the applicable Initial Disclosure Document and all related Continuing Disclosure Documents; written confirmations, certifications, letters and legal opinions de-scribed herein; copies of these Disclosure Procedures and a list of individuals to whom they have been distributed and the dates of such distributions; and a written record of the dates of meetings of the Disclosure Working Group. The Disclosure File shall be maintained in a central depository for a period of five years from the later of the date of delivery of the securities referenced in the Continuing Disclosure Document, or the date the Continuing Disclosure Document is published, posted, or otherwise made publicly available, as applicable.

E) Education

The Executive Director/CEO shall ensure that the Disclosure Coordinator and the members of the Disclosure Working Group are properly trained to understand and perform their responsibilities. Such training may include training sessions conducted by consultants with expertise in municipal securities disclosure or by

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the Disclosure Consultant, attendance at conferences, or other appropriate methods identified by the Executive Director/CEO.

ADOPTED _____



612 Main Street, Soledad, CA 93960
(831) 678-2462 • Fax: (831) 678-1539

RESOLUTION NO. 2026-09

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOLEDAD COMMUNITY HEALTH CARE DISTRICT APPROVING A REVISION TO POLICY NO. 2150 – RESERVES POLICY

WHEREAS, the Soledad Community Health Care District adopted policy no. 2150 governing reserves on 1-22-2026; and

WHEREAS, District has determined a need to align the reserves policy with best practices for fund balance guidelines of the Government Finance Officers Association (GFOA); and

WHEREAS, the GFOA recommends operating fund reserves be maintained at two months of general fund operations

NOW, THEREFORE, BE IT RESOLVED as follows::

SECTION 1. RECITALS ARE TRUE AND CORRECT.

The above recitals are true and correct and form the basis of this Resolution.

SECTION 2. AUTHORIZATION FOR AGREEMENT

The Board approves the revision of Policy 2150 – Reserves Policy, attached hereto as Exhibit A, with the increased reserve goal of two (2) months of general fund operations as specified in the Policy; and

SECTION 3. EFFECTIVE DATE

This resolution takes effect immediately upon adoption by the Board.

ADOPTED by the Board of Directors of the **Soledad Community Health Care** District, a public agency in the State of California, **Soledad**, at its regular meeting held on the **16th** day of **April, 2026**, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Rosemary Guidotti, Secretary
Soledad Community Health Care District

EXHIBIT A
RESERVES POLICY



Section 2000 Administration/2100 Financial Management
POLICY TITLE: Reserves Policy
POLICY NUMBER: - 2150

PURPOSE:

The Board of Directors of the **Soledad Community Health Care District (SCHCD)** is committed to maintaining strong fiscal stewardship and long-term financial stability. The purpose of this policy is to ensure that the District maintains sufficient financial reserves to meet its operating, capital, and debt service obligations, and to strategically position the District to expand and enhance health care services for the benefit of current and future residents within the District’s service area.

This policy establishes a framework for the creation, maintenance, and management of District reserves in accordance with legal requirements and recognized best practices for California health care special districts.

Policy

SCHCD shall maintain reserve funds to support prudent financial planning, address planned and unforeseen needs, protect the District against financial risk, and ensure the long-term sustainability of its health care operations, including its clinic services, skilled nursing facility, women’s health services, and future service expansion initiatives.

The District shall manage reserves in a manner that supports operational stability, capital planning, compliance with debt obligations, and the delivery of high-quality health care services.

Procedure

1. Operating Reserve

The **Operating Reserve** is intended to provide working capital and protect the District against revenue fluctuations, delays in reimbursement, and unforeseen operating costs.

The District’s goal is to maintain an Operating Reserve equal to **two (2) months of average operating expenses**, excluding depreciation. This reserve serves as a financial bridge between the timing of expenses and the collection of revenues.

2. Board-Restricted Funds

Board-restricted funds are designated by formal action of the Board of Directors to support strategic objectives, long-term planning, and prudent fiscal management. The Board retains full authority to modify, transfer, or rescind these designations by subsequent Board action.

3. Unrestricted Reserves

Unrestricted Reserves represent the remaining cash balance not formally designated by the Board of Directors. These funds provide additional financial flexibility and may be assigned to future purposes by Board action as needed.

Soledad Community Health Care District
Debt Restructuring Narrative and Preliminary Analysis
April 16, 2026

1. The District currently carries six debt obligations across two creditors:
 - a. Two existing Repayment Agreements with the California Department Health Care Services (DHCS), each bearing interest at 7%, with an approximate payoff balance as of 7/1/2026 of \$1.86 million
 - b. One additional DHCD Repayment Agreement currently in process; final documentation is not yet available but the amount owed is anticipated to be approximately \$1.8 million
 - c. Two term loans with 1st Capital Bank, with varying interest rate levels and structures, including a conversion to a variable rate in 2029, a \$3 million plus balloon payment in 2032, with an approximate aggregate payoff balance as of 7/1/2026 of \$4.17 million
 - d. One line of credit with 1st Capital Bank, in the approximate amount of \$400,000, that requires repayment
2. Identified Debt Management Challenges
 - a. The existing obligations mature at various dates between 2029 and 2032, creating a concentrated repayment burden over a compressed timeframe
 - b. The current debt structure presents several significant negative attributes, including:
 - i. Unaffordable balloon payments at maturity on certain obligations
 - ii. Scheduled conversion to a variable interest rate
 - iii. Existing non-compliance with certain loan covenants
 - iv. Overly complicated loan management that includes multiple lenders and multiple payments schedules that are not coordinated with varying payment dates
 - v. Other structural terms that are unfavorable to the District's long-term financial health and operational stability
3. Proposed Restructuring - Structure and Objectives
 - a. District management and the Municipal Advisor are proposing to consolidate all six obligations into a single restructuring loan
 - b. The proposed loan is expected to be taxable; however, a portion may qualify as tax-exempt (lower interest rate), pending a detail legal and structural analysis by bond counsel regarding how and when loan proceeds from the 1st Capital loan proceeds were spent and applied
 - c. The new loan would be obtained through a competitive Request for Proposals (RFP) process issued to 15-20 qualified lenders
 - d. The restructuring loan would feature a 10-year level debt service payment, replacing the current mix of maturities, balloon payments, and variable-rate exposures
4. Restructuring Benefits and Tradeoffs

- a. The restructuring is not projected to produce overall cash flow savings or net present value (NPV) savings relative to the existing obligations on an aggregate basis
 - b. Nonetheless, the restructuring delivers meaningful structural benefits to the District:
 - i. Provides near-term cash flow relief by reducing debt service payments in the early years of the new loan
 - ii. Eliminates balloon payment risk by converting large lump-sum maturities into a predictable and manageable level payment schedule
 - iii. Removes variable rate exposure, replacing uncertain future payments with a fixed obligation, particularly given the fact that we are in a rising rate environment
 - iv. Resolves existing covenant non-compliance issues by retiring the affected obligations
 - v. Consolidates six separate obligations into a single, manageable repayment structure
 - vi. Improves the District's overall financial planning and budgeting predictability
5. Requested Board Action – This Meeting
- a. Staff and Municipal Advisor are presenting this narrative and preliminary financial analysis for Board discussion, feedback, and buy-in with respect to moving forward with the restructuring process
 - b. A draft Lender RFP is attached for the Board's reference and review
 - c. No formal action is required at this meeting; the Board's direction to proceed will inform the next steps that are outlined below
6. Proposed Next Steps – Timeline
- a. If the Board is supportive of moving forward, the following actions are planned for the Board meeting of April 30th:
 - i. Presentation of a Resolution of Intent to pursue the debt restructuring financing
 - ii. The Resolution would engage the following professional team:
 - 1. Wulff Hansen – Municipal Advisor
 - 2. Oppenheimer – Placement Agent
 - 3. Stradling – Bond Counsel
 - iii. A refined Lender RFP will be presented for Board input on specific deal points and terms
 - iv. Upon Board adoption of the Resolution, Wulff Hansen and Oppenheimer will launch the Lender RFP process
 - b. Following distribution of the RFP, all lender proposals will be received and a comparative summary will be returned to the Board for review and final approval before any commitment is made

Preliminary Financial Analysis

- The analysis below is preliminary, estimated and subject to change
- It does not currently account for the new DHCS Repayment Agreement or the 1st Capital line of credit, due to availability of documentation
- The analysis assumes that the variable rate on term loan (existing debt service) converts at the lowest available rate and that the associated prepayment penalty is not waived (although we have several strategies in mind to persuade 1st Capital Bank to waive the prepayment penalty)
- It assumes that the entire restructuring must be done on a taxable basis (indicative 10-year interest rate of 5.95%), although we anticipate that a portion (approx. \$1 million) could qualify as tax-exempt (indicative 10-year interest rate of 4.40%)
- Once any or all of the above can be incorporated into the below analysis, the amount of negative savings (both cashflow and NPV) should improve

Date	Existing Debt Service	Proposed Restructured Debt Service*	Savings	Net Present Value of Savings
7/1/2027	1,122,741	835,088	287,652	281,242
7/1/2028	1,136,176	835,087	301,090	277,698
7/1/2029	1,092,690	835,088	257,602	225,054
7/1/2030	517,470	835,088	-317,618	-252,941
7/1/2031	261,910	835,088	-573,178	-437,478
7/1/2032	3,036,830	835,087	2,201,743	1,564,026
7/1/2033	-	835,087	-835,087	-566,465
7/1/2034	-	835,089	-835,089	-533,823
7/1/2035	-	835,088	-835,088	-503,060
7/1/2036	-	835,088	-835,088	-474,071
	<u>7,167,816</u>	<u>8,350,878</u>	<u>-1,183,061</u>	<u>-419,817</u>

*Includes all financing charges and fees, which are estimated to total \$140,000 and would be paid out of the loan proceeds at closing

- What is driving the negative savings is the existing 4.25% interest rate on one of the 1st Capital Bank loan as well as the associated prepayment penalty (which we may be able to get the Bank to waive)
- The 1st Capital Bank loan must be included in the restructuring to, among other things, free up District property that is being used as collateral so that it can be used to secure the new restructuring loan

[Date]

RE: **Request for Proposal**
Soledad Community Health Care District
2026 Loan Agreement



Soledad Community Health Care District:

Established in 1948, the Soledad Community Health Care District (the “District”) is a special district specializing in providing healthcare services to the City of Soledad and surrounding unincorporated areas within Monterey County. Originally planned with the intention of developing a full hospital, the focus of the District shifted to outpatient and long-term care. Currently, the District operates the following facilities:

- Soledad Medical Clinic: Community-based rural health clinic
- Eden Valley Care Center: 59-bed skilled nursing facility
- Women’s Health Center: Provides specialized services such as OB-GYN care, ultrasound, and birth control/family planning

The District is a member of the National Association of Rural Health Clinics, the Association of California Healthcare Districts, and the California Special Districts Association. Governance is overseen by a 5-member Board of Directors, each serving 4-year terms.

City of Soledad:

Incorporated in 1921, the City of Soledad (the “City”) is a small city located in Monterey County in the heart of the Salinas Valley. Due to its location, agriculture is City’s main economic driver along with a strong viticulture industry. As of 2020, the City had a population of approximately 24,925. The City is roughly 21 miles southeast of Salinas and 100 miles south of San Francisco.

District Financial Information: Attached

- 2025 Audited Financial Statements
- 2024 Audited Financial Statements
- 2023 Audited Financial Statements
- 2022 Audited Financial Statements
- 2025-26 Adopted Budget

Additional Information: Found in Appendices

- District Area Map is included in Appendix A
- Preliminary Amortization Schedule is included in Appendix B

Plan of Finance:

The District plans to refinance and restructure its six outstanding debt obligations:

Outstanding Long-Term Debt	Payoff Balance (As of 7/1/2026)
California Department of Health Care Services Agreement #1	\$1,395,770
California Department of Health Care Services Agreement #2	\$463,273
California Department of Health Care Services Agreement #3	TBD
1 st Capital Bank Term Loan #1	\$3,507,987
1 st Capital Bank Term Loan #2	\$670,198
1 st Capital Bank Line of Credit	TBD

Financing Structure:

This loan will be structured as a Taxable Loan Agreement, subject to input from Special Counsel.

Financing Team:

Placement Agent:	Oppenheimer & Co. Inc.
Municipal Advisor:	Wulff, Hansen & Co.
Special Counsel:	Stradling Yocca Carlson & Rauth LLP

THE INFORMATION CONTAINED WITHIN THIS RFP HAS BEEN APPROVED BY THE ISSUER. SUCH INFORMATION SHOULD BE USED AND CONSIDERED AS THE SOLE BASIS IN MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF THIS CREDIT OBLIGATION. NO OTHER INFORMATION, WHETHER PRESENTED ORALLY OR IN WRITING, OUTSIDE OF THIS RFP SHOULD BE USED OR CONSIDERED WHILE MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF CREDIT OBLIGATION. NOTWITHSTANDING THE FOREGOING, POTENTIAL PURCHASERS ARE EXPECTED TO CONDUCT THEIR OWN DUE DILIGENCE PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO A PURCHASE OF CREDIT OBLIGATION.

Summary of Terms:

The District is seeking proposals for a 10-year financing term:

Par Amount:	TBD
Final Maturity:	7/1/2036
Estimated Average Life:	5.5 years
Security for Repayment:	District property
Loan Covenants:	TBD
Payment Structure:	Monthly principal and interest Level debt service
Optional Prepayment:	Not subject to optional redemption
Interest Rate:	Fixed, Interest calculated 30/360
Tax & BQ Status:	Taxable, Bank-Qualified

Preliminary Timeline:

- RFP Released: TBD
- RFP Responses Due: June 10, 2026*
- Selection of Lender:
- Board Approval:
- Closing Date:

**Preliminary*

Information to be submitted by Proposer:

1. Interest rate for a 10-year financing term
2. Rate lock ability and terms. If not available, please provide formula.
3. Prepayment terms
4. Amount of any proposer costs (i.e. legal counsel, etc.)
5. Proposal expiration date
6. Ability to distribute cost of issuance wires

Proposal Submission and Evaluation:

Proposals are due Wednesday, June 10, 2026 at 12:00pm PT. Please submit proposals to Michael Garcia at michael.garcia@opco.com.

In determining the winning proposal, the District will take into account the information submitted and any other factors it deems appropriate. The District reserves the right to exercise its own discretion in making the award and to also cancel the RFP process with no further action required on the District's part.

Thank you for your consideration. We would enjoy the opportunity to work with you on this transaction and look forward to your response. Please feel free to contact Michael Garcia at (415) 438-2948 with any questions.

Sincerely,

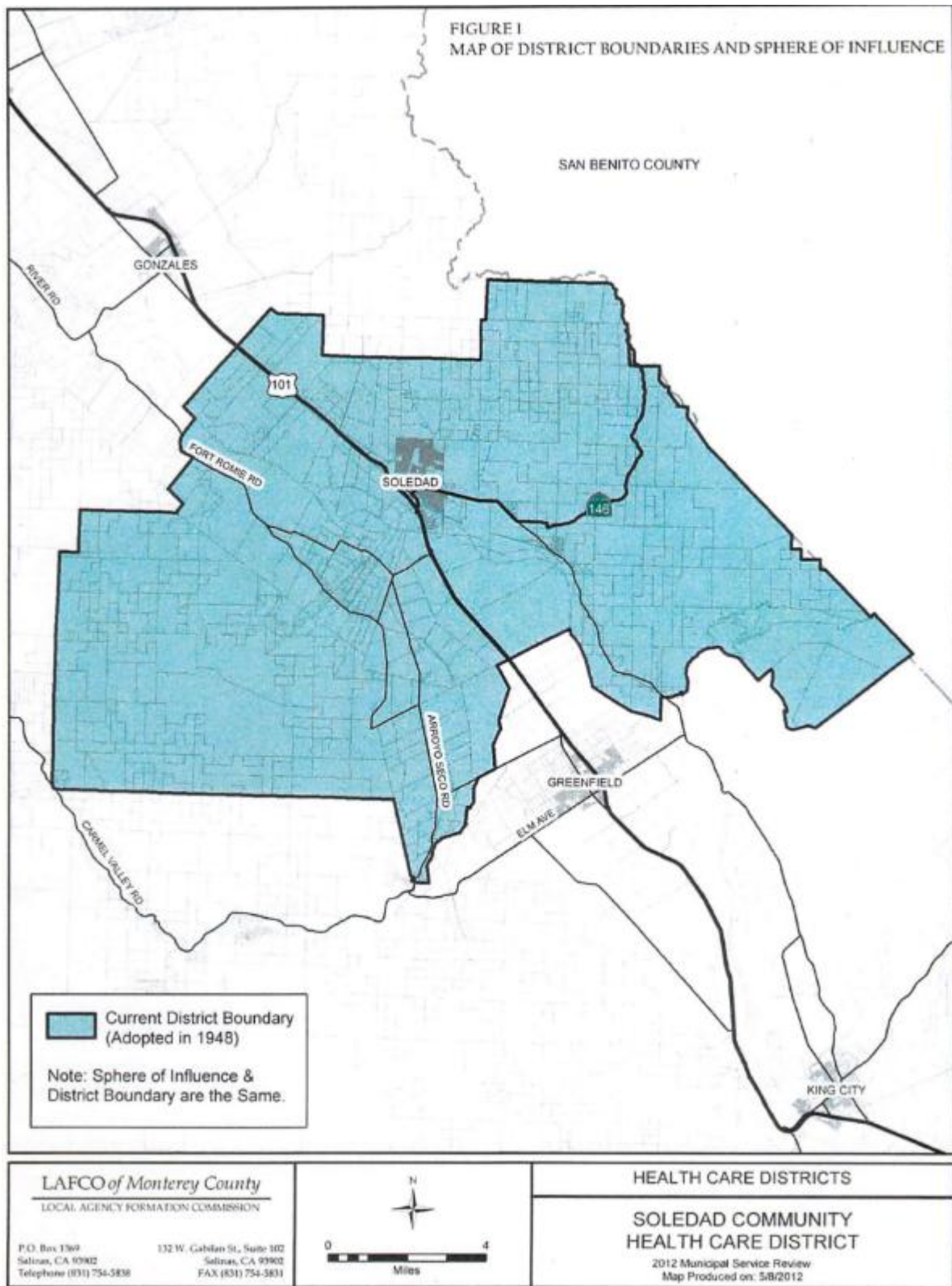


Michael Garcia, Director
Oppenheimer & Co. Inc.
Municipal Capital Markets Group

You acknowledge and understand that Oppenheimer & Co. Inc. is required to obtain a CUSIP for the instrument described herein and apply for DTC eligibility unless you are: i) a bank, any entity directly or indirectly controlled by a bank, or under common control with a bank (other than a dealer registered under the Exchange Act), or a consortium of such entities; or ii) a municipal entity purchasing municipal securities using funds that are at least in part proceeds of the Purchaser's issuance of other municipal obligations, or municipal securities being purchased are used to fully or partially secure or pay the Purchaser's issue of municipal obligations; and iii) you make the following representation a part of a letter to be executed: "the Purchaser is purchasing the debt instrument solely for its own account with a present intent to hold the debt instrument until maturity, early redemption or mandatory tender, and not with a current view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser's property will remain at all times within its control)".

No Official Statement will be prepared for the debt instrument. By the Purchaser's acceptance of the debt instrument, the Purchaser shall be deemed to have had access to such financial and other information concerning the Issuer and the debt instrument as the Purchaser deemed necessary to make an independent decision to purchase the debt instrument, including the opportunity, at a reasonable time prior to purchase of the debt instrument, to ask questions and receive answers concerning the Issuer and the terms and conditions of the offering of the debt instrument.

Appendix A: District Area Map



RESOLUTION NO. 2026- 10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOLEDAD COMMUNITY HEALTH CARE DISTRICT AUTHORIZING EXECUTION OF AN AGREEMENT WITH HEALTHCARE MANAGEMENT STRATEGIES LLC FOR STRATEGIC FINANCIAL SERVICES.

WHEREAS, the Soledad Community Health Care District has a need assistance with financial strategic planning services and analysis specifically relating to the District's Health Center, including performance analysis, rate-setting, improved billing practices and systems, and cost recovery; and

WHEREAS, Healthcare Management Strategies LLC. has provided Municipal Advisory services to public entities for over 90 years including for public entities in the State of California and also including public health care districts formed under the "Local Health Care District Law", Section 32000 et. seq. of the California Health and Safety Code;

WHEREAS, the agreements will be subject to compliance with the Health Insurance Portability and Accountability Act of 1996, including consent of the provider to a Business Associate Agreement acceptable to the District

NOW, THEREFORE, BE IT RESOLVED as follows::

SECTION 1. RECITALS ARE TRUE AND CORRECT.

The above recitals are true and correct and form the basis of this Resolution.

SECTION 2. AUTHORIZATION FOR AGREEMENT

The Board Authorizes the Executive Director/CEO to execute the Financial Services Agreement with Healthcare Management Strategies LLC, and to take any necessary steps to effectuate this Agreement; and

SECTION 3. EFFECTIVE DATE

This resolution takes effect immediately upon adoption by the Board.

ADOPTED by the Board of Directors of the **Soledad Community Health Care** District, a public agency in the State of California, **Soledad**, at its regular meeting held on the **16th** day of **April, 2026**, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

ATTEST:

Rosemary Guidotti, Secretary
Soledad Community Health Care District

HEALTHCARE MANAGEMENT STRATEGIES LLC
4860 Eldorado Dr
La Verne, CA 91750

February 9, 2026

Ida Lopez Chan, DbA, CSDM
Chief Executive Officer
Soledad Community Health Care District
612 Main Street
Soledad, CA 93960

Healthcare Management Strategies LLC (HMS) is pleased to submit this proposal to Soledad Community Health Care District (SCHCD) for a variety of fiscal consulting services. The following documents our proposed scope of work and associated fees. This scope of work was developed based on discussions with Kristopher D. Zuniga, HMS LLC CEO and Gerardo Ramirez-Carmona, Senior Director of Healthcare Analytics.

Synopsis of Understanding and Requirements

SCHCD is a Rural Health Center headquartered in Soledad, CA. SCHCD is seeking a financial strategic partner and technical assistance associated with the financial infrastructure of the health center. HMS LLC may require direct access to SCHCD’s internal network and documents, electronic health record, and clearinghouse. HMS requires active SCHCD participation and responsiveness for optimal impact and results.

Scope of Work (SOW)

The scope of work would include the following activities:

Item 1 – Strategic Planning & Financial Analysis

On an ongoing basis and as needed, HMS will support SCHCD in the strategic planning and financial analysis of various fiscal initiatives. HMS will supply recommendations based on any analysis performed. SCHCD may elect to have HMS lead efforts to implement any agreed upon recommendations resulting from provided analysis and/or strategic planning.

Item 2 – PPS Rate Change & DHCS Rate Setting Audit

HMS will perform the prerequisite due diligence identifying the optimal strategy for the pursuit of an increased PPS rate, or rates. HMS will guide SCHCD through the DHCS Change in Scope-of-Service Request (CSOSR) process and will represent SCHCD in the subsequent DHCS Rate Setting audit.

Item 3 – Review of Billing Practices

HMS will provide SCHCD senior leadership with an assessment of billing practices, alignment to regulatory standards and established payer agreements, and identifying opportunities for improvement and/or mishandled claims. Upon assessment delivery, HMS will lead implementation of agreed upon corrective actions resulting from the HMS evaluation. SCHCD agrees to participate directly, as needed, in the implementation of corrective efforts.

Item 4 – Fund Recovery for Prior Year PPS Reconciliation Submissions

HMS will review previously submitted PPS reconciliations and will perform the necessary due diligence to identify the amounts available, if any, for recovery per fiscal year for prior year PPS reconciliation submissions. Once the amounts are identified, HMS will spearhead efforts to pursue associated refunds. This SOW item will require the utilization of outside legal counsel.

Item 5 – Other Items as Agreed

As agreed in writing by and between the SCHCD CEO and the HMS CEO, HMS consultants will complete ad hoc projects and provide technical assistance.

This work will be performed remotely by HMS Consultants and staff.

HMS Consultants

Kristopher D. Zuniga, Principal & Chief Executive Officer

Kristopher has been working in healthcare accounting, primarily in the FQHC space, since 2006. His resume and client base includes some of the largest and smallest FQHC's in California. He has served as CFO at several health centers and specializes in turnaround projects.

Gerardo Ramirez-Carmona, Senior Director of Healthcare Analytics

Gerardo worked for several years as an FQHC auditor at a Los Angeles-based public accounting firm which gave him exposure to a variety of health center operations. Since 2017, Gerardo has worked for and with FQHC's and specializes in FQHC reimbursement, 340B programs, and fiscal compliance reporting.

Angela Ayala, Senior Director of BI & Revenue Cycle

Angela has worked in the healthcare industry for over a decade and provides expertise in billing and collections in both the FQHC and hospital environments. Angela's proficiencies include revenue cycle analytics and database management. She has also worked on quality improvement initiatives, UDS reporting, and credentialing functions.

Term & Termination

This agreement will commence upon execution and shall have no specified term. Either party may terminate this agreement upon sixty (60) days' written notice without cause.

Fees & Invoicing

HMS will invoice SCHCD monthly and invoices are due upon receipt. Invoicing will be based on the following rates for documented hours accrued in the performance of the SOW:

HMS Personnel	Hourly Rate
Principal & CEO	225
Senior Director	180
Senior Analyst	155
Director	130
Manager	110
Specialist	85
Coordinator	70
Admin Support	65

Hourly rates increase by 4% annually on January 1 beginning January 1, 2028.

SCHCD will reimburse HMS for travel time and expenses incurred in the performance of this contract.

Client Acceptance of its Responsibilities

Our professional standards require documentation from SCHCD's leadership that they understand and accept their responsibilities regarding these services, which include the following:

- Oversee the services by designating an individual, within senior management who possess suitable skill, knowledge, and/or experience
- Evaluate the adequacy and results of the services provided
- Accept responsibility for the results of the services

Confidential Information

Confidential Information includes all information identified by a disclosing party as proprietary and confidential, which Confidential Information shall remain the sole property of the disclosing party unless the ownership of such Confidential Information is otherwise expressly set forth in the agreement.

Items will not be considered Confidential Information if:

- (a) available to public other than by a breach of an agreement by the recipient;
- (b) rightfully received from a third party not in breach of any obligation of any confidentiality;
- (c) independently developed by one party without access to the Confidential Information of the other; or
- (d) rightly known to the recipient at the time of disclosure as verified by its written records.

Each party agrees that it shall not use for any purpose or disclose to any third party any Confidential Information of the other party without the express written consent of the other party. Each party agrees to safeguard the Confidential Information of the other party against use or disclosure other than as authorized by or pursuant to this agreement through measures, and exercising a degree of care, which are at least as protective as those, as the case may be, exercises in safeguarding the confidentiality of its own proprietary information, but no less than a reasonable degree of care under the circumstances.

Business Associate Agreement

As necessary, HMS will comply with the provisions of the Health Insurance Portability and Accountability Act of 1996 and the obligations set forth under the Health Information Technology for Economic and Clinical Health Act of 2009. HMS will complete any documents to ensure compliance.

Warranties

HMS and any person put forward by HMS to perform the services of this agreement, shall not be liable if the services provided or the results generated are not absolutely correct, nor does HMS warrant, either expressed or implied, that the performance of the services will not infringe upon intellectual property rights of any third party.

This document constitutes the entire agreement between HMS and SCHCD. As such, this agreement is an agreement between independent contractors and not a partnership, joint venture, or an employment agreement. Nothing herein is intended to create a joint employment relationship between the parties. Each party’s liabilities are limited to the engagement fees outlined herein. HMS warrants that the work described herein will be done in a reasonable and competent manner and makes no further warranties.

Sincerely,



Kristopher D. Zuniga, Principal & CEO
Healthcare Management Strategies LLC

Agreed and Accepted

Soledad Community Health Care District

Signature: _____

Dr. Ida Lopez Chan, Chief Executive Officer

Date: _____