



Hazel Hawkins

MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, SEPTEMBER 26, 2024 – 5:00 P.M.
SUPPORT SERVICES BUILDING, 2nd-FLOOR, GREAT ROOM
IN-PERSON AND BY VIDEO CONFERENCE**

Members of the public may participate remotely via zoom at the following link <https://zoom.us/join> with the following Webinar ID and Password:

Meeting ID: 991 5300 5433

Security Passcode: 007953

Mission Statement - The San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians, and the health care consumers of the community.

Vision Statement - San Benito Health Care District is committed to meeting community health care needs with quality care in a safe and compassionate environment.

AGENDA

- | | <u>Presented By:</u> |
|---|-----------------------------|
| 1. <u>Call to Order / Roll Call</u> | (Hernandez) |
| 2. <u>Board Announcements</u> | (Hernandez) |
| 3. <u>Special Presentation – County Elections Department</u> | (Francisco Diaz) |
| 4. <u>Public Comment</u>
This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda. This is the appropriate place to comment on items on the Consent Agenda. Board Members may not deliberate or take action on an item not on the duly posted agenda. Written comments for the Board should be provided to the Board clerk for the official record. Whenever possible, written correspondence should be submitted to the Board in advance of the meeting to provide adequate time for its consideration. Speaker cards are available. | (Hernandez) |
| 5. <u>Consent Agenda – General Business</u>
The Consent Agenda deals with routine and non-controversial matters. The vote on the Consent Agenda shall apply to each item that has not been removed. A Board Member may pull an item from the Consent Agenda for discussion. One motion shall be made to adopt all non-removed items on the Consent Agenda. | (Hernandez) |
| A. Consider and Approve Minutes of the Special Meeting of the Board of Directors – August 08, 2024. | |

Regular Meeting of the Board of Directors, September 26, 2024

B. Consider and Approve Minutes of the Special Meeting of the Board of Directors – August 22, 2024.

C. Consider and Approve Policies:

- Grievance Procedure
- Personnel Files – Content Maintenance
- Diversity, Equity and Inclusion
- Gifts and Gratuities
- Policy Development and Approval

D. Receive Officer/Director Written Reports - No action required.

- Provider Services & Clinic Operations
- Skilled Nursing Facilities Reports (Mabie Southside/Northside)
- Laboratory and Radiology
- Foundation Report
- Marketing Report
- PMO Project Summary Report

Recommended Action: Approval of Consent Agenda Items (A) through (D).

- ▶ Report
- ▶ Board Questions
- ▶ Motion/Second
- ▶ Action/Board Vote-Roll Call

6. Medical Executive Committee

(Dr. Bogey)

A. Consider and Approve Medical Staff Credentials: (Hand Out)

Recommended Action: Approval of Credentials

- ▶ Report
- ▶ Board Questions
- ▶ Public Comment
- ▶ Motion/Second
- ▶ Action/Board Vote-Roll Call

7. Receive Informational Reports

A. Insight Transaction Update

(Robert Miller)

(a) Timeline

(b) Ad Hoc Advisory Committee

(Hernandez & Pack)

- ▶ Public Comment

B. Chief Executive Officer (Verbal Report)

(Casillas)

- ▶ Public Comment

C. Chief Nursing Officer (Verbal Report)

(Descent)

- ▶ Public Comment

D. Finance Committee

(Robinson)

(i) Finance Committee Meeting Minutes – September 19, 2024

(ii) Review Financial Updates

- Financial Statements – August 2024
- Finance Dashboard – August 2024
- Supplemental Payments – August 2024

▶ Public Comment

8. Action Item

(Robinson)

A. Consider Recommendation for Board Approval of Commercial Lease Agreement with Stanley John Alonso Irrevocable Trust for property located at 320 Hillcrest Road, Units 102 & 103.

Recommended Action: Approval of Commercial Lease Agreement with Stanley John Alonso Irrevocable Trust.

- ▶ Report
- ▶ Board Questions
- ▶ Public Comment
- ▶ Motion/Second
- ▶ Action/Board Vote-Roll Call

B. Consider and Approve Resolution No. 2024-11 Declaring Real Property as Exempt Surplus Land Necessary for the Agency's Use Under Gov. Code Sections 54221(f)(1)(N) and 54221(c)(2)(B)(i), and Find the Declaration is Exempt from Environmental Review under CEQA Guidelines 15061(b)(3).

Recommended Action: Approval of Resolution No. 2024-11 Declaring Real Property as Exempt Surplus Land Necessary for the Agency's Use Under Gov. Code Sections 54221(f)(1)(N) and 54221(c)(2)(B)(i), and Find the Declaration is Exempt from Environmental Review under CEQA Guidelines 15061(b)(3).

- ▶ Report
- ▶ Board Questions
- ▶ Public Comment
- ▶ Motion/Second
- ▶ Action/Board Vote-Roll Call

9. Adjournment

(Hernandez)

The next Regular Meeting of the Board of Directors is scheduled for Thursday, October 24, 2024 at 5:00 p.m., Great Room.

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting, in the Administrative Offices of the District, and posted on the District's website at <https://www.hazelhawkins.com/news/categories/meeting-agendas/>. All items appearing on the agenda are subject to action by the Board. Staff and Committee recommendations are subject to change by the Board.

Any public record distributed to the Board less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the District office. Public records distributed during the meeting, if prepared by the District, will be available for public inspection at the meeting. If the

Regular Meeting of the Board of Directors, September 26, 2024

public record is prepared by a third party and distributed at the meeting, it will be made available for public inspection following the meeting at the District office.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.



Hazel Hawkins
MEMORIAL HOSPITAL

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BLDG., 2ND FLOOR GREAT ROOM**

WEDNESDAY, AUGUST 8, 2024

1:30 PM

MINUTES

IN PERSON AND BY ZOOM VIDEO CONFERENCE

MINUTES

Directors Present

Jeri Hernandez, Board Member
Bill Johnson, Board Member
Devon Pack, Board Member
Rick Shelton, Board Member

Absent

Josie Sanchez, Board Member

Also Present

Mary Casillas, Chief Executive Officer
Mark Robinson, Chief Financial Officer
Amy Breen-Lema, VP Clinic, Ambulatory, & Phys. Services
Karen Descent, Chief Nursing Officer
Heidi Quinn, District Legal Counsel
Richard Peil, B. Riley Advisory Services
Tiffany Rose, Project Coordinator

1. Call to Order- Roll Call

Directors Hernandez, Johnson, Pack, and Shelton were present; attendance was taken by roll call. A quorum was present and Director Hernandez called the meeting to order at 1:32 p.m.

2. Public Comment

There was no public comment.

3. Closed Session

District Counsel Quinn announced the item to be discussed in Closed Session as listed on the posted agenda is (1) Conference with Legal Counsel – Anticipated Litigation, Government Code §54956.9(b). The closed session is based upon San Benito County’s authorization to initiate litigation against the District (details included in the packet).

The meeting recessed into Closed Session at 1:33 p.m.

The Board completed its business of the Closed Session at 2:20 p.m.

4. Reconvene Open Session/Closed Session Report

The Board of Directors reconvened Open Session at 2:20 p.m. District Counsel Quinn reported that in Closed Session the Board discussed: (1) Conference with Legal Counsel – Anticipated Litigation, Government Code §54956.9(b).

No reportable action was taken by the Board in the Closed Session.

5. Consider and Approve/Adopt:

- A. The Ad Hoc Temporary Advisory Committee provided a report regarding items (A) Resolution 2024-06 Rescinding Resolution 2024-05, Ordering an Election on a Ballot Measure and the Election of Certain Officers; (B) Resolution 2024-07 Approving an Amended Term Sheet with Insight Foundation of America; and (C) Resolution 2024-08 Ordering an Election on a Ballot Measure Proposing the Transfer of Fifty Percent or More of the District Assets, for the Election of Certain Officers, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election

An opportunity was provided for public comment and individuals were given three minutes each to address the Board Members and Administration.

1. Resolution 2024-06 Rescinding Resolution 2024-05, Ordering an Election on a Ballot Measure and the Election of Certain Officers

MOTION: By Director Hernandez to approve Resolution 2024-06 Rescinding Resolution 2024-05, Ordering an Election on a Ballot Measure and the Election of Certain Officers; Second by Director Pack.

Moved/Seconded/Unanimously Carried: Ayes: Directors Hernandez, Johnson, Shelton, and Pack. Absent: Director Sanchez. Approved 4-0 by roll call vote.

2. Resolution 2024-07 Approving an Amended Term Sheet with Insight Foundation of America

MOTION: By Director Johnson to approve Resolution 2024-07 Approving an Amended Term Sheet with Insight Foundation of America; Second by Director Pack.

Moved/Seconded/Unanimously Carried: Ayes: Directors Hernandez, Johnson, Shelton, and Pack. Absent: Director Sanchez. Approved 4-0 by roll call vote.

3. Resolution 2024-08 Ordering an Election on a Ballot Measure Proposing the Transfer of Fifty Percent or More of the District Assets, for the Election of Certain Officers, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election

MOTION: By Director Pack to approve Resolution 2024-08 Ordering an Election on a Ballot Measure Proposing the Transfer of Fifty Percent or More of the District Assets, for the Election of Certain Officers, Requesting County Elections to Conduct the Election, and Requesting Consolidation of the Election; Second by Director Hernandez.

Moved/Seconded/Unanimously Carried: Ayes: Directors Hernandez, Johnson, Shelton, and Pack. Absent: Director Sanchez. Approved 4-0 by roll call vote.

6. Adjournment

There being no further business or actions, the meeting was adjourned at 2:52 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, August 22, 2024 at 5:00 p.m.

Audio of the Special Board Meeting may be found at [Healthcare Services Hollister, CA | Hazel Hawkins Memorial Hospital](#)



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SAN BENITO HEALTH CARE DISTRICT
SUPPORT SERVICES BUILDING, 2ND-FLOOR, GREAT ROOM
IN PERSON AND BY VIDEO CONFERENCE**

THURSDAY, AUGUST 22, 2024

5:00 P.M.

MINUTES

HAZEL HAWKINS MEMORIAL HOSPITAL

Directors Present

Jeri Hernandez, Board Member

Bill Johnson, Board Member

Josie Sanchez, Board Member

Also Present

Mary Casillas, Chief Executive Officer

Mark Robinson, Chief Financial Officer

Karen Descent, Chief Nursing Officer

Amy Breen-Lema, VP, Clinic Ambulatory & Physician Services

Michael Bogey, MD, Chief of Staff

Heidi A. Quinn, District Legal Counsel

Suzie Mays, Director of Project Management & Policies/Procedures

1. **Call to Order**

Attendance was taken by roll call; Directors Hernandez, Johnson, and Sanchez were present. Directors Pack and Shelton were absent.

A quorum was present and Director Hernandez, called the meeting to order at 5:00 p.m.

2. **Board Announcements:** None.

3. **Public Comment**

An opportunity was provided for public comment and no public comment was received.

4. **Consent Agenda - General Business**

A. Consider and Approve Minutes of the Special Meeting of the Board of Directors –
July 25, 2024

- B. Consider and Approve Minutes of the Regular Meeting of the Board of Directors – July 25, 2024
- C. Consider and Approve Minutes of the Special Meeting of the Board of Directors - July 31, 2024
- D. Consider and Approve Minutes of the Special Board Meeting of the Board of Directors – August 8, 2024
- E. Consider and Approve Policies:
 - Deployment of Additional Security Officers
 - Continuing Education
 - Recruitment and Retention
 - Lactation Accommodation
 - Progressive Discipline
- F. Receive Officer/Director Written Reports - No action required.
 - Provider Services & Clinic Operations
 - Skilled Nursing Facilities Reports (Mabie Southside/Northside)
 - Laboratory and Radiology
 - Foundation Report
 - Public Relations
 - PMO Project Summary Report

Director Hernandez presented the consent agenda items to the Board for action. This information is included in the Board packet.

MOTION: By Director Johnson to approve Consent Agenda – General Business, Items A – F, as presented; Second by Director Sanchez.

Moved/Seconded/ Carried. Ayes: Directors Hernandez, Johnson, and Sanchez. Approved 3-0 by roll call. Directors Shelton and Pack absent.

At this time, the Board proceeded to Item #6 – Receive Informational Reports. Item #5 – Medical Executive Committee, followed Item #6.

5. **Medical Executive Committee Meeting**

A. **Consider and Approve Medical Staff Credentials Report:**

Dr. Bogey, Chief of Staff, provided a review of the Medical Executive Committee Credentials Report dated August 21, 2024.

An opportunity was provided for public comment and no public comment was received.

MOTION: By Director Hernandez to approve the Credentials Reports as presented; Second by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, and Sanchez. Approved 3-0 by roll call. Directors Shelton and Pack absent.

6. **Receive Informational Reports**

A. **Chief Executive Officer**

Mary Casillas provided highlights of the Chief Executive Officer Report, which was included in the Board packet.

Amy Breen-Lema provided an update on Physician Recruitment.

An opportunity was provided for public comment and no public comment was received.

B. **Chief Nursing Officer**

Karen Descent provided the Chief Nursing Officer Report.

An opportunity was provided for public comment and no public comment was received.

C. **Finance Committee**

1. Finance Committee Meeting Minutes – August 15, 2024

2. Review Financial Updates

- Financial Statements – July 2024
- Finance Dashboard – July 2024
- Supplemental Payments – July 2024

Mr. Robinson provided a review of the financial statements, dashboard, and supplemental payments, which were included in the Board packet.

An opportunity was provided for public comment and no public comment was received.

At this time, the Board proceeded to Item #5 – Medical Executive Committee.

7. **Action Items**

A. **Consider and Approve Resolution No. 2024-09 for Approval of the Amended 401(a) Pension Plan**

Mr. Robinson provided a review of Resolution 2024-09 approving the amended 401(a) Pension Plan, which was included in the packet. Proposed changes to the plan were presented to the Board. Questions from the Board were answered.

An opportunity was provided for public comment and individuals were given three minutes to address the Board Member and Administration.

MOTION: By Director Sanchez to approve Resolution 2024-09 for Approval of the Amended 401(a) Pension Plan; Second by Director Johnson.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, and Sanchez. Approved 3-0 by roll call. Directors Shelton and Pack absent.

B. **Consider and Approve Resolution No. 2024-10 for Approval and Adoption a Memorandum of Understanding with the National Union of Healthcare Workers**

Mary Casillas provided a review of the Resolution No. 2024-10 for approval and adoption of the Memorandum of Understanding with NUHW, which was included in the packet. Questions from the Board were answered.

Heidi Quinn, District Legal Counsel, noted Section 2 of the Resolution should read “The Board has hereby approved the Tentative Agreements for incorporation into the MOU, which shall expire on June 30, 2025.”

An opportunity was provided for public comment and no comments were received.

MOTION: By Director Hernandez to approve Resolution No. 2024-10 for Approval and Adoption of the Memorandum of Understanding with NUHW as modified; Second by Director Sanchez.

Moved/Seconded/ Carried: Ayes: Directors Hernandez, Johnson, and Sanchez. Approved 3-0 by roll call. Directors Pack and Shelton absent.

8. **Public Comment**

Prior to taking Public Comment, Heidi Quinn noted there would be two items for discussion during Closed Session, to include (1) Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1) - *Bernosky, Rob v. Members of the Board of Directors of San Benito Health Care District et al*, Case No. CU-24-00196 (San Benito Superior Court), and (2) Hearings/Reports, Government Code §37624.3 & Health and Safety Code §§1461, 32155 – Report from Quality, Risk, and Compliance.

The Board will not discuss Conference with Legal Counsel – Anticipated Litigation, Government Code §54956.9(b).

An opportunity was provided for public comment and individuals were given three minutes to address the Board Member and Administration.

9. **Closed Session**

Director Hernandez announced items to be discussed during Closed Session are (1) Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1) - *Bernosky, Rob v. Members of the Board of Directors of San Benito Health Care District et al*, Case No. CU-24-00196 (San Benito Superior Court), and (2) Hearings/Reports, Government Code §37624.3 & Health and Safety Code §§1461, 32155 – Report from Quality, Risk, and Compliance.

The meeting was recessed into Closed Session at 5:48 p.m.

The Board completed its business of the Closed Session at 6:29 p.m.

10. **Reconvene Open Session/Closed Session Report**

The Board of Directors reconvened into Open Session. District Counsel Heidi Quinn reported that in Closed Session, the Board discussed Closed Session, to include (1) Conference with Legal Counsel-Existing Litigation, Government Code §54956.9(d)(1) - *Bernosky, Rob v. Members of the Board of Directors of San Benito Health Care District et al*, Case No. CU-24-00196 (San Benito Superior Court), and (2) Hearings/Reports, Government Code §37624.3 & Health and Safety Code §§1461, 32155 – Report from Quality, Risk, and Compliance.

No reportable action was taken by the Board in Closed Session.

11. **Adjournment:** There being no further regular business or actions, the meeting was adjourned at 6:30 p.m.

The next Regular Meeting of the Board of Directors is scheduled for Thursday, September 26, 2024 at 5:00 p.m.



Grievance Procedure

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Revision Insight

Document ID:	12222
Revision Number:	0
Owner:	Drew Tartala, HR Manager
Revision Official Date:	No revision official date
Revision Note:	
Draft	

Policy : Grievance Procedure

POLICY

A brief statement describing the reason the policy is being enacted. The purpose usually consists of one sentence.

SCOPE

This procedure applies to all non-contractual exempt and non-exempt employees of SBHCD. Unionized employees should refer to the grievance procedures outlined in their respective Memorandum of Understanding (MOU).

DEFINITIONS

Grievance: A formal complaint by an employee regarding the interpretation or application of personnel policies that adversely and directly affects them.

Grievant: The employee who files the grievance.

Immediate Supervisor: The employee's direct supervisor, manager or director.

Hearing Officer: A member of SBHCD management appointed to investigate the grievance during the third step of the procedure.

PROCEDURE

This grievance procedure is designed not to replace, but to supplement the routine and informal departmental methods of responding to and set departmental methods of responding to and settling employee problems and grievances. If these informal methods fail to resolve the interpretation and application of the SBHCD's personnel policies, this grievance procedure gives the employee access to higher authorities than his/her Manager.

When warranted by the circumstances, the Administrator may extend or modify the time limits indicated in this grievance procedure. Otherwise, the right to grieve is waived if the time limits are exceeded.

An employee may file a grievance only if it involves an alleged discriminatory or unreasonable application of SBHCD's rules or policies that adversely and directly affects the grieving employee.

An employee may not file a grievance concerning any contention that a SBHCD rule or policy is inadvisable or unsound as a matter of general application.

1. First Step – Submission to Immediate Supervisor:

- **Initiation:** The grievant must submit their grievance in writing to their immediate supervisor within five (5) working days of the event that caused the grievance.
- **Investigation:** The supervisor will investigate the matter and meet with the grievant.
- **Response:** The supervisor will provide a written response within five (5) working days of the meeting. If additional time is required to investigate, the supervisor must inform the grievant of the delay.

2. Second Step – Escalation to Department Manager:

- **Escalation:** If the grievant is unsatisfied with the first step's outcome, they may escalate the grievance to their department manager in writing within five (5) working days of receiving the first step's response.
- **Investigation:** The department manager will review the grievance and meet with all involved parties.
- **Response:** The department manager must provide a written response within five (5) working days of the meeting, unless additional time is necessary for proper investigation.

3. Third Step – Grievance Hearing:

- **Escalation:** If the issue remains unresolved after the second step, the grievant may escalate the grievance to the Administrator in writing within five (5) working days.
- **Hearing:** The Administrator will appoint a Hearing Officer who will conduct a formal hearing. The grievant may be accompanied by a fellow employee and may present evidence, call, and cross-examine witnesses.
- **Resolution:** The Hearing Officer will provide a written response and recommendation to the Administrator within five (5) working days after the hearing. The Administrator's decision is final.

Grievances Involving Termination/Discharge:

Employees terminated or discharged have seven (7) days from the date of termination to initiate the grievance procedure. These grievances should begin at the third step.

Handicapped Employee Grievance Procedure:

1. **Initial Complaint:** Employees alleging discrimination due to physical handicap should report the incident in writing to their Department Manager.
2. **Investigation and Resolution:** If unresolved, the grievance will be reviewed by the Hearing Officer, who will work with all parties to reach an equitable solution.

Record Keeping:

Complete records of the grievance process, including all communications and resolutions, will be maintained in the employee's personnel file.

Policy Review and Revisions:

This procedure will be reviewed periodically and revised as necessary to reflect changes in policy, law, or operational requirements.

Acknowledgment:

All employees are encouraged to utilize this procedure without fear of retaliation. The organization's leadership is committed to upholding these principles and ensuring a fair workplace for all employees.

AFFECTED DEPARTMENTS

All SBHCD Staff.



Personnel Files - Content Maintenance

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Revision Insight

Document ID:	12223
Revision Number:	0
Owner:	Drew Tartala, HR Manager
Revision Official Date:	No revision official date
Revision Note:	
Draft	

Policy : Personnel Files - Content Maintenance

POLICY

Each employee of San Benito Health Care District (SBHCD) has a maintained individual record. These records may include, but are not limited to, the application form, references, personnel action forms, evidence of continuing education, performance appraisals, records of counseling sessions, policy acknowledgments, current licenses, registrations, or certifications, and for terminated employees, documentation related to their separation.

Individual records are also maintained to include health examinations and verification that the employee is free of active communicable diseases in accordance with the hospital policy statement on this matter.

PROCEDURE

RETENTION

Retention of personnel records is governed by state and federal regulations. Generally, the following records must be kept for the minimum post-employment period indicated below:

1. Pre-Employment/Employment Documents	7 years
2. Retirement Documents	7 years
3. Payroll data(including job title and wage rates)	7 years
4. I-9 forms	7 years
5. Job descriptions	7 years
6. Advertisements	7 years
7. Personnel requisitions and forms	7 years
8. All policies, procedures, and agreements relating to employee	7 years
9. Employee health, benefit, and medical exposure records	30 years

Forms and papers (except for employment references) reflecting personal characteristics and performance must be acknowledged by the employee's signature before placement in the permanent personnel files. However, if the employee refuses to sign the document, another manager should be called in to affix his/her signature as a witness to the fact that the employee has read but refused to sign.

CONFIDENTIALITY OF PERSONNEL RECORDS

All information in personnel records is confidential and may not be released to anyone, except proper legal authorities, without the specific authorization of the employee. When verification of employment is requested, it is against company policy to disclose the reason for an employee's departure.

Department managers may review files of their employees in the District. An employee may review his/her personnel record in the Human Resource Office after all confidential pre-employment references and any records concerning a possible criminal offense have been removed.

Human Resources will provide an appointment time to review the file within three business days of the employee's request.

DESTRUCTION OF EMPLOYEE AND APPLICANT RECORDS

All paper personnel records and confidential employee data maintained by the HR department will be destroyed by shredding after retention dates have passed; this procedure pertains to all personnel records, not just those governed by the Fair and Accurate Credit Transactions Act (FACTA).

Employment application materials submitted by applicants who were never employed are also to be shredded.

When a confidential record must be discarded or destroyed, it shall be marked as confidential and given to the Human Resources Department to be destroyed in accordance with the record destruction policies. Alternatively, hardcopy confidential records may be shredded using a locked shredder on SBHCD premises. In the case of remote employees, employees are discouraged from printing out or creating hard copies of confidential records where possible. If hard copies must be printed, created or kept, they should be stored in a locked cabinet, drawer or other secure location until they are no longer needed, or until the maximum retention period has ended. Remote employees must then destroy all confidential files by shredding them in a locked shredder on the SBHCD premises, or otherwise rendering the documents unusable or unreadable.

Personnel records include electronic as well as paper records. The HR department will work with the IT department periodically but no less than twice annually to review and ensure that the HR department's electronic records relating to employee information and compliance reports are properly purged.

LITIGATION HOLD

When SBHCD is involved in or anticipates that it may be involved in litigation, the General Counsel's office will issue a litigation hold. This means that all documents relating to the litigation matter must be kept in order to preserve any potential evidence. If we fail to do so, SBHCD can be sanctioned by the court for destroying evidence. A court has broad authority to impose these sanctions, which may include anything from unfavorable procedural rulings during a trial to payment of monetary damages.

In the event that the SBHCD's General Counsel announces a litigation hold on any or all SBHCD's records as a result of pending or anticipated litigation, all records covered by such litigation hold MUST NOT be discarded, deleted or destroyed. Further, the IT department will suspend the automatic deletion of emails for all individuals covered by the litigation hold. Any questions about the litigation should be directed to the General Counsel.

REFERENCES

DIR §3204. Access to Employee Exposure and Medical Record

California Senate Bill 807

AFFECTED DEPARTMENTS

All SBHCD Staff.

Document ID	12223	Document Status	Draft
Department	Human Resources	Department Director	Tartala, Drew
Document Owner	Tartala, Drew	Next Review Date	
Revised	[07/01/1995], [08/01/2000], [04/01/2013], [09/02/2019], [03/02/2021], [06/02/2022], [04/02/2024], [09/05/2024]		
Reviewed	[09/01/2009], [09/01/2019], [03/01/2021], [06/01/2022], [04/01/2024], [08/30/2024]		

Attachments:

(REFERENCED BY THIS DOCUMENT)

Other Documents:

(WHICH REFERENCE THIS DOCUMENT)

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in Lucidoc at

<http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgj%2Fdoc-gw.pl%3Fref%3Dhmmh%3A12223%240>.



Diversity, Equity and Inclusion

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Revision Insight

Document ID:	11809
Revision Number:	0
Owner:	Drew Tartala, HR Manager
Revision Official Date:	No revision official date

Revision Note:
Draft

Policy : Diversity, Equity and Inclusion

PURPOSE

San Benito Health Care District (SBHCD) is committed to fostering, cultivating and preserving a culture of diversity, equity and inclusion.

Our human capital is the most valuable asset we have. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities and talent that our employees invest in their work represents a significant part of not only our culture, but our reputation and company's achievement as well.

We embrace and encourage our employees' differences in age, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status, veteran status, and other characteristics that make our employees unique.

PROCEDURE

SBHCD diversity initiatives are applicable—but not limited—to our practices and policies on recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; social and recreational programs; layoffs; terminations; and the ongoing development of a work environment built on the premise of gender and diversity equity that encourages and enforces:

- Respectful communication and cooperation between all employees.
- Teamwork and employee participation, permitting the representation of all groups and employee perspectives.
- Work/life balance through flexible work schedules to accommodate employees' varying needs.
- Employer and employee contributions to the communities we serve to promote a greater understanding and respect for the diversity.

All employees of SBHCD have a responsibility to treat others with dignity and respect at all times. All employees are expected to exhibit conduct that reflects inclusion during work, at work functions on or off the work site, and at all other company-sponsored and participative events.

Any employee found to have exhibited any inappropriate conduct, retaliation, or behavior against others may be subject to disciplinary action up to and including termination. When necessary, employees will be required to attend and complete annual diversity awareness training to enhance their knowledge to prevent any further misconduct from occurring.

Employees who believe they have been subjected to any kind of discrimination that conflicts with the company's diversity policy, harassment prevention policy and any initiatives should seek assistance from a supervisor or an HR representative.

REFERENCES

San Benito Health Care District Behavioral Standards

Discrimination, Harassment and Retaliation Prevention Policy

Document ID	11809	Document Status	Draft
Department	Human Resources	Department Director	Tartala, Drew
Document Owner	Tartala, Drew	Next Review Date	
Revised	[08/30/2024], [09/05/2024]		
Reviewed	[09/10/2024]		
Attachments:			
(REFERENCED BY THIS DOCUMENT)			
Other Documents:			
(WHICH REFERENCE THIS DOCUMENT)			

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<http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgj%2Fdoc-gw.pl%3Fref%3Dhmmh%3A11809%240>.



Gifts and Gratuities

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Revision Insight

Document ID:	12221
Revision Number:	0
Owner:	Drew Tartala, HR Manager
Revision Official Date:	No revision official date

Revision Note:
Draft

Policy : Gifts and Gratuities

POLICY

The San Benito Health Care District (SBHCD) upholds a strict policy that prohibits employees from accepting gifts or gratuities from patients, residents, their relatives, or friends. This policy is in place to maintain the highest standards of professionalism and to avoid any potential conflicts of interest.

PROCEDURE

Guidelines:

1. **Prohibited Gifts:** Employees are not allowed to accept gifts or gratuities from patients, residents, or their associated parties, regardless of the intent or value of the gift.
2. **Exceptions for Nominal Gifts:** In situations where a gift of nominal value, such as a box of candy intended for all employees, cannot be gracefully declined, it may be accepted. In such cases, the Department Director/Designee is responsible for expressing gratitude on behalf of the department.
3. **Donations:** Individuals wishing to make a donation to the District should be directed to the Foundation Office. Donations processed through this channel may be tax-deductible for the donor.

Administration:

This policy is reviewed and revised regularly to ensure it aligns with the District's standards and legal requirements.

AFFECTED DEPARTMENTS

All SBHCD Staff.

Document ID	12221	Document Status	Draft
Department	Human Resources	Department Director	Tartala, Drew
Document Owner	Tartala, Drew	Next Review Date	
Revised	[01/01/1990], [09/02/2019], [03/02/2021], [06/02/2022], [09/05/2024]		
Reviewed	[09/01/2009], [12/01/2012], [09/01/2019], [03/01/2021], [06/01/2022], [08/01/2024]		

Attachments:
(REFERENCED BY THIS DOCUMENT)

Other Documents:
(WHICH REFERENCE THIS DOCUMENT)

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<http://hzh-iis.hazelhawkins.com/?returnto=%2Fcgi%2Fdoc-gw.pl%3Fref%3Dhmmh%3A12221%240>.



Policy : Policy Development and Approval

Differences between version 0 and 1 .

PURPOSE

To ensure:

- an efficient and consistent procedure for writing, reviewing, revising, approving, and publishing policies, and
- that policies are readily accessible, available, and provide clear direction to staff.

POLICY

Policies will be consistent with the Mission, Vision, Values, and Goals of ~~Hazel Hawkins Memorial Hospital~~ San Benito Health Care District .

It is the policy of Hazel Hawkins Memorial Hospital to establish and maintain an effective system for the development and review of all policies. Written policies shall be developed in collaboration with Medical Staff, Administration and the Board of Directors as appropriate. All policies shall reflect current standards, regulations, and evidence based practices. Revised policies are subject to the same approval process as newly developed policies. Policies with editorial revisions only can receive final approval by the Department Director and are not subject to the approval process outlined below.

Non-clinical policies will be reviewed by the department director and any pertinent stakeholders at a minimum of every three (3) years. Clinical policies are reviewed every two (2) years. More frequent review may be necessary to meet regulatory requirements.

Policies will have Board of Directors or urgent approval prior to implementation.

Department Directors are responsible for departmental policy management. Responsibilities include ensuring that department policies are complete, current, compliant with regulatory requirements, and reviewed by key stakeholders.

DEFINITIONS

Policy : ~~Formalized documents that outline practices~~ A written statement that describes an organization's guiding principles and structure. Policies define what should be done , procedures why , and rules that are considered to be mandatory what laws, codes of ethics, and values define the policy decisions .

Procedure : A description of the operational processes necessary to implement a policy. Procedures are the instruction manuals for how to implement policies, setting forth explicit, step-by-step instructions.

Guideline : Recommendations that provide flexibility in application but are not compulsory.

Revised Policies : A policy that changes the provision of care or service and/or has content changes.

Editorial Revision : Editorial revisions, such as grammatical corrections, that do not change the provision of care or services.

Review : There are no substantial content changes such as typos, clarifying language, or adding or deleting cross references.

PROCEDURE

A standardized format will be utilized when creating policies. Major content components include Purpose, Policy, Definitions, Procedure, References and Stakeholders as appropriate. As policies are revised, they should be typed in 12 font and follow the policy template.

Policies may include current three (3) to five (5) references not older than five (5) years unless applicable and not recently updated, including but not limited to, The Joint Commission, Title 22, and California Department of Health standards.

Tracked changes will be applied throughout the review and/or revision process.

Policies will have initial approval by department directors, stakeholders, senior leaders, medical directors and committees as appropriate. See outlined process in the attached Flow Chart.

Policy and/or Procedure review and approval process.

- P&P reviewed, revised, developed by Department Director in collaboration with stakeholders.
- P&P reviewed and approved by Medical Director of clinical department, Medical Staff Committee and Hospital Committees as appropriate.
- Director Reviews the Policy with the Executive Leader.
- Clinical P&P submitted to Policy & Procedure Committee for review and approval.
- Clinical P&P submitted to the Medical Executive Committee (MEC) for review and approval.
- Non-Clinical P&P sent to CEO for review and approval.
- P&P submitted to the Board of Directors (BOD) for review and approval.

When a policy requires urgent approvals, such as for an urgent patient safety or compliance issue, the Department Director will involve appropriate hospital and medical staff leadership in the policy development or revision. The hospital CEO, CCO or their designees are delegated to give policy approval. The policy will then be forwarded to MEC and the BOD for final approval.

Upon final approval, the policy dates are updated and final edits completed in the electronic policy system. The document is then published and appropriate leaders are notified.

Department Directors are responsible for ensuring that staff is educated on policies that are pertinent to their job function.

Prior versions of revised or retired policies are archived in the electronic policy system.

Policies that have become obsolete may be retired in the policy software once approved by the Policy Committee.

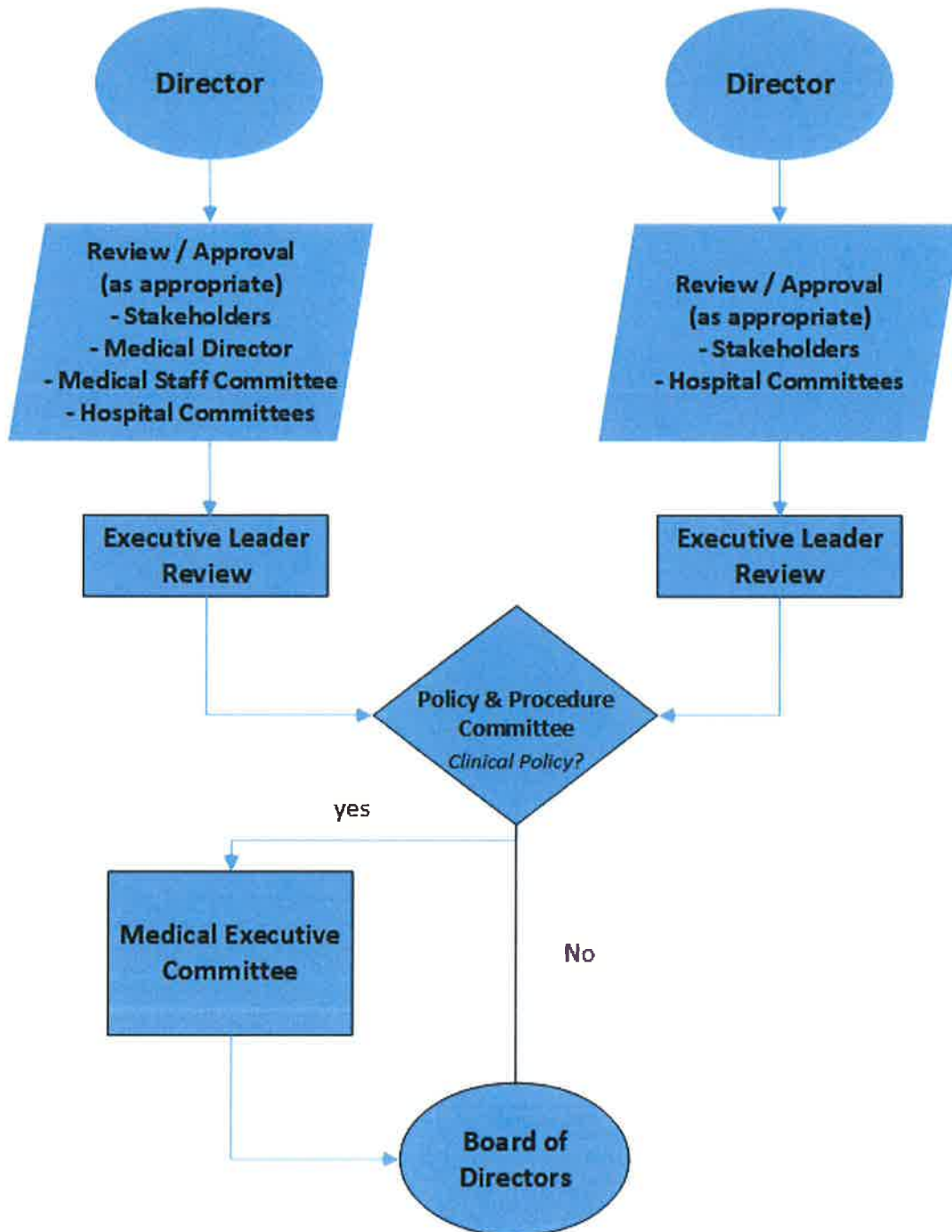
REFERENCES

1. California Code of Regulations Title 22
2. The Joint Commission

Review & Approval Process

Clinical Policies (Patient Care)

Non-Clinical Policies (e.g. Facilities, HR, IT)



Document Owner:
Collaborators:

Mays, Suzie

Approvals

- Committees:

- Signers:

Original Effective Date:

07/01/2009

Revision Date:

[07/01/2019], [09/01/2019], [10/04/2022 Rev. 0]

Review Date:

[12/01/2012], [01/01/2015], [01/01/2018]

Attachments:

(REFERENCED BY THIS DOCUMENT)

Formatting Template (HTML) Scope of Service
for Rural Health Clinics

Other Documents:

(WHICH REFERENCE THIS DOCUMENT)



Hazel Hawkins

MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
 From: Amy Breen-Lema, Vice President, Clinic, Ambulatory & Physician Services
 Date: September 10, 2024
 Re: All Clinics – August 2024

Rural Health and Specialty Clinics’ visit volumes

Clinic Location	Total visits
<i>Orthopedic Specialty</i>	412
<i>Multi-Specialty</i>	579
<i>Sunset</i>	775
<i>Primary Care & Surgery</i>	368
<i>San Juan Bautista</i>	336
<i>1st Street</i>	495
<i>4th Street</i>	1,072
<i>Barragan</i>	570
Total	4,607

- * In August, we welcomed board certified endocrinologist Dr. Maria Arambulo to the Barragan Family Healthcare and Diabetes Center. Both patients and staff have expressed their enthusiasm for her arrival, and Dr. Arambulo has shared that she is enjoying her new role and looks forward to providing much needed endocrinology care to our community.
- * We also welcomed board certified and fellowship trained psychiatrist Dr. Jehan Helmi and psychologist Dr. Kerri King to the Mabie First Street Clinic behavioral health team. Both have quickly integrated into our team and are seeing a full roster of patients. Their expertise and presence are valuable additions to our growing behavioral health service line.
- * Provider recruitment activities with anticipated start dates by specialty:
 - Primary Care: Kimberly Hill, FNP – *September 2024*
 - Primary Care: Theresa May, PA-C – *September 2024*
 - Primary Care: Pooja Patel, PA-C – *October 2024*
 - Pediatrics: Patricia Clarke, M.D. – *October 2024*
 - Women’s Health & C-section assist services: Marissa Diaz, PA-C – *October 2024*



Hazel Hawkins
 MEMORIAL HOSPITAL
 Mabie Southside/Northside Skilled Nursing Facility
 Board Report – SEPTEMBER 2024

To: San Benito Health Care District Board of Directors

From: Dee Cross, RN, MLS, Interim Director of Nursing, Skilled Nursing Facility

1. Census Statistics: August 2024

Southside	2024	Northside	2024
Total Number of Admissions	23	Total Number of Admissions	2
Number of Transfers from HHH	21	Number of Transfers from HHH	1
Number of Transfers to HHH	9	Number of Transfers to HHH	1
Number of Deaths	2	Number of Deaths	1
Number of Discharges	14	Number of Discharges	2
Total Discharges	16	Total Discharges	3
Total Census Days	1299	Total Census Days	1,324

Note: Transfers are included in the number of admissions and discharges. Deaths are included in the number of discharges. Total census excludes bed hold days.

2. Total Admissions: August 2024

Southside	From	Payor	Northside	From	Payor
13	HHMH	Medicare	1	HHH/Re-Admit	Medi-Cal
1	St. Louise	Medicare	1	SJ Valley Medical	Medi-Cal
1	SVMH/Re-Admit	Medicare			
3	HHMH/Obs.	Medicare			
4	HHMH/Re-Admit	Medicare			
1	HHMH/Re-Admit	CCA			
Total: 23			Total: 2		

3. Total Discharges by Payor: August 2024

Southside	2024	Northside	2024
Medicare	12	Medicare	0
Medicare MC	0	Medicare MC	0
CCA	2	CCA	1
Medical	0	Medical	2
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	2	Hospice	0
Private (self-pay)	0	Private (self ay)	0
Insurance	0	Insurance	0
Total:	16	Total:	3

4. Total Patient Days by Payor: August 2024

Southside	2024	Northside	2024
Medicare	330	Medicare	7
Medicare MC	0	Medicare MC	0
CCA	867	CCA	1125
Medical	31	Medical	156
Medi-Cal MC	0	Medi-Cal MC	0
Hospice	40	Hospice	0
Private (self-pay)	31	Private (self-pay)	31
Insurance	0	Insurance	0
Bed Hold / LOA	6	Bed Hold / LOA	5
Total:	1305	Total:	1,324
Average Daily Census	42.10	Average Daily Census	42.71



Hazel Hawkins MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Bernadette Enderez, Director of Diagnostic Services
Date: September 2024
Re: Laboratory and Diagnostic Imaging

=====

Updates:

Laboratory

1. Quality Assurance/Performance Improvement Activities
 - Update on chemistry analyzer project → Validation area preparation in process.

2. Laboratory Statistics

	August 2024	YTD
Total Outpatient Volume	4142	31099
Main Laboratory	1301	9385
HHH Employee Covid Testing	7	105
Mc Cray Lab	972	7972
Sunnyslope Lab	418	3096
SJB and 4 th Street	85	417
ER and ASC	1359	10124
Total Inpatient Volume	174	2224

Diagnostic Imaging

1. Service/Outreach
 - Stat Rad final reads project implemented 8/21/24
2. Quality Assurance/Performance Improvement Activities
 - Performance Improvement Project: MRI time studies completed; CT turn around time PI project



Hazel Hawkins

MEMORIAL HOSPITAL

3. Diagnostic Imaging Statistics

	August 2024	YTD
Radiology	1789	13995
Mammography	718	5682
CT	1028	7331
MRI	222	1389
Echocardiography	101	894
Ultrasound	768	6122

TO: San Benito Health Care District Board of Directors
FROM: Liz Sparling, Foundation Director
DATE: September 2024
RE: Foundation Report

The Hazel Hawkins Hospital Foundation Board of Trustees met on September 12.

Financial Report	August
1. Income	\$ 24,273.57
2. Expenses	\$ 14,415.29
3. New Donors	2
4. Total Donations	168

Allocations:

- No Allocations

Directors Report:

- The Flex grant report was submitted on our Jaundice meter that the Foundation purchased for OB. With the meter purchased, infants as young as 35 weeks gestational age can be identified as “at risk.” Effective screening can lower readmission rates and decrease the duration of stay. Dependable results in seconds rather than in hours dramatically increases patient safety. When taking the measurement, there is less stress on fragile newborns and their parents. This meter will also help save time and money while delivering a high level standard of care.
- With the end of the fiscal year, we have started working on our audit.
- The fair is October 4, 5, 6 and we will have a section of the Hospital booth for the Foundation promoting our event.















Dinner Dance Report:

- We are excited about our in person Dinner Dance this year on **November 2** at the Paicines Ranch. Please mark your calendars! To date we have \$62,775 in sponsorships and have sold 105 tickets. The venue can hold 250 people and our goal is to sell out!
- Our Dinner Dance Committee selected the following people/organizations to be honored:
 - A. **Hazel Hawkins Hospital Auxiliary** as our Donors of the Year
 - B. **Calera Wine Company/Duckhorn Portfolio** as our Business Donor of the Year
 - C. **Doug & Suzie Mays** as our “Heart for Hazel” recipients for their years of dedication to the Hospital and the Foundation.
- For more information please visit our website: www.hazelhawkins.com/foundation



MARKETING

• **Social Media Posts**

	These week we have been celebrating our amazing Environmental Services staff. They ensure that our facilities are clean and safe for our patients, their families and our staff members. Fri, Sep 13	Post reach 771	Engagement 566
	To address the misinformation that is being distributed throughout the community regarding our proposed transaction with Insight, we've put together a fact sheet to help you better understand the agreement. You can also find this document on our website at: https://www.hazelhawkins.com/~/ Wed, Sep 11	Post reach 1,416	Engagement 538
	AN OBSERVATION ON BEING GRATEFUL On this day... 23 years (September 10th) ago, 246 people went to sleep in preparation for their morning flights, 2,606 people went to sleep in preparation for work in the morning. 343 firefighters went to sleep in preparation for their morning shift. 60 police officers went to sleep in preparation for... Tue, Sep 10	Post reach 831	Engagement 103
	October is Breast Cancer Awareness Month If you are uninsured, underinsured or have a high deductible, now is the time to schedule your annual screening mammogram for only \$100. Call 636-2650 to schedule an appointment for October. Tue, Sep 10	Post reach 769	Engagement 19
	-- Wed, Sep 4	Post reach --	Engagement --
	HHH Employees helped out at the Community Food Bank today. Together they assembled 1,245 snack bags for elementary school children to take home for the weekend. Thank you ladies for your commitment to our patients and our community. Wed, Sep 4	Post reach 451	Engagement --
	Today some of our staff members spent the morning helping out at the Community Food Bank. They helped assemble 1,245 snack bags for elementary school students to take home for the weekend. Many thanks ladies for your commitment to our patients and the community. Wed, Sep 4	Post reach 1,907	Engagement 697
	-- Mon, Sep 2	Post reach 347	Engagement 12
	-- Fri, Aug 30	Post reach 320	Engagement 7
	October is Breast Cancer Awareness Month If you are uninsured, underinsured or have a high deductible, now is the time to schedule your annual screening mammogram for only \$100. Call 636-2650 to schedule an appointment for October. Thu, Aug 29	Post reach 1,601	Engagement 46
	Karen Descent who has been our interim Chief Nursing Officer (CNO) since May has accepted the position permanently. We are excited to have Karen's enthusiasm, expertise, and dedication on our team. Karen comes to us from the Central Valley where she oversaw nursing at three Kaiser hospitals. Fri, Aug 23	Post reach 1,376	Engagement 777
	We are pleased to introduce Dr. Maria Arambulo, specializing in Endocrinology. She is welcoming new patients to her practice located at our Barragan Family Healthcare & Diabetes Center. Thu, Aug 22	Post reach 4,357	Engagement 571
	We're thrilled to announce our upcoming Job Fair! Whether you're looking to start your career or take it to the next level, this is your chance to connect with us and explore exciting opportunities. Website: https://www.hazelhawkins.com/careers/ Tue, Aug 20	Post reach 4,157	Engagement 553
	We are pleased to introduce Dr. Yilma Kebebo, specializing in Podiatric Medicine and Surgery. He is welcoming new patients to his practice located at our Orthopedic Specialty Center. Wed, Aug 14	Post reach 664	Engagement 95

EMPLOYEE ENGAGEMENT

Employees:

- Celebrated Environmental Services Week
- "Behind the Scenes" - highlighting behind the scenes departments/employees on social media

MEDIA

Public:

Working with Marcus Young from townKRYER PR agency on proactive PR.

- Distributed Insight Transaction Fact Sheet to address misinformation being disseminated via Social Media
- Met with new editor of BenitoLink for relationship building purposes and to provide a background on our current progress with our financial situation and the process with Insight.

COMMUNITY

- Highlighted our staff volunteering at the Community Food Bank

NEW PHYSICIANS

- Marketing new physicians, Dr. Kebelo, Podiatrist and Dr. Arambulo, Endocrinologist.

PMO Project Summary Report

Date: 9/13/24

Summary of current and completed projects managed by the Project Management Office (PMO). This is a high-level overview of the PMO's activity, highlighting key initiatives and their outcomes.

Current Projects

<u>Project Name</u>	<u>Project Description</u>	<u>Start Date</u>	<u>Target Completion Date</u>	<u>Current Status</u>	<u>Key Deliverables</u>
Boiler Replacement	Replace existing boiler to enhance efficiency and reliability.		TBD	Demolition completed; structural slab pour completed; 14 day compaction results for slab strength received 07/08/24. New Boiler Equipment approved to install on new concrete slab on 07/15/24. Plumbing, electrical, and mechanical work in progress aiming at a completion date TBD. Waiting on support brackets for water lines.	Install new boiler.
Sterilizer Installation	Engineering to complete permit process and installation of new sterilizer to replace aging equipment.		Install will be scheduled ASAP after "Notice to Proceed with Construction" is released.	06/20/24 - Permit APPROVED; submitted to HCAI. HCAI IOR retained for project. Met with David IOR 9/10/24. Need call with Steris and MSR mechanical.	Installation of new sterilizer.



I.T. Room RTU Compressor Replacement	Replace RTU compressor - I.T. Room.		TBD	Replacement of Compressor completed 07/01/24 w/ Commercial Air. Getting additional estimates for completion.	Replace compressor equipment.
2 nd Floor SSB Doors Installation	Engineering to complete permit process and installation of doors on 2 nd Floor of SSB.		TBD	Awaiting doors and city permit; installation of wall, door/side light, and closer install to follow. Revised drawing based on feedback from contractor. Waiting to hear back from Lance at Hollister Paint.	Installation of new doors – Support Serv Bldg 2 nd floor.
Lab Rebuild		6/3/24	TBD	Project kick off week of 06/03 with EP and structural walk through. PO issued for Chemical Analyzers due for delivery 08/12/24. HCAI meeting completed 06/26 w/ Traenor HL to discuss emergency replacement of Chemical Analyzers; temporary staging location changed per HCAI directive as "Temporary" Construction documents due early July/GC bid process	



				to follow for Phase I & II.	
Seismic	Upgrade to meet HCAI seismic compliance and safety standards.		TBD	Awaiting five signs for install from HCAI; Traenor HL following. Small rural hospital grant approved; Funding application process has been initiated. Pending OSHPD review on the report.	
HH OR Status			2025	Proposal submitted Work must be complete in 2025. Schedule shared with HHH (Prior to CDPH exemption expiration). Authorized Yes, to replace both lights. Treanor provide quote for Cost Estimate.	
Access eForms/Passport	Access Passport is a web-based forms solution that provides access to the functional elements you need to remove all paper from your forms processes—making them completely electronic from start to finish.	4/29/24	10/15/24	ADT delivered to TEST. We are testing data flow now. All servers installed with software. Security groups being developed. Added additional users so they can TEST	New registration forms and new hardware install.



Hicuity	Remote Telemetry	8/8/24	10/29/24	Kickoff call completed. Working through tasks. On Site assessment completed. Working through interface needs, delivery and testing. Technical calls implemented	Assessment completed.
BD Anti Diversion & Pyxis Install	Install larger Pyxis in ICU. Current one will go to OB Surg. Install new in PACU and outside OR. Returning Anesthesia units. Implement pharmacy diversion software across all.	2/9/24	Jan 2025	Data extracts and mapping tables are near completion. Nursing to join calls next week to go over workflows	Install additional units and move units. Install diversion software on units. Install data drops and electrical.
Bepoz	Add employees and employee numbers to Bepoz to allow for charging and payroll deduction of café charges.	6/3/24	TBD	Cleaning up data extract. Meeting with Bepoz to finalize.	Building of employees for payroll deduction in the café.
EHR Project	Identify and demo EHR systems.	2/14/24	TBD	2 nd phase initiated for Expanse – ROI data captured. New quote requested and reference site call scheduled	ROI data compiled by Finance.



Green Security Vendor Credentialing	Institutional safety company that combines credentialing and background investigation with advanced onsite technologies to control, manage, and monitor the access of ALL non-employees.	2/29/24	9/17/24	Training completed. Additional training being scheduled for individuals	Manage, track, background check, and credential ALL non-employees entering the hospital.
Insight Due Diligence	Coordinate gathering of data and put in data room	3/19/24	TBD	Data room established. We are about 70% completed. – Disclosures are being added to this project	Collect data and populate new data room.
Promoting Interoperability	Meet measures and successfully attest to CMS regulations.	1/5/24	Waiver to be filed in Feb 2025	Waiver will be filed as vendor will not be ready by 10/1/24	Attest and report out successful completion of identified measures.
National Graphics	Implement new forms vendor	8/9/24	Ongoing	Receiving forms from departments to add to the National Graphics inventory	Approval provided for 4 forms for Anesthesia & OR.
Securitas/Hugs	Enterprise-wide protection to infant and pediatric patients of all ages, including well newborns.	5/28/24	TBD	Completed kick off call and walkthrough scheduled for week of 9.16.24	HUGS enterprise solution with tags.



Completed Projects – FY 7.1.24 - 6.30.25

<u>Project Name</u>	<u>Project Description</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Key Achievements</u>	<u>Lessons Learned</u>
ER Chiller	Rebuild ER Chiller		Completed	Rebuild is complete	Rebuild ER Chiller
Annex MD Office Compressor Replacement	Replace compressor equipment at Annex MD Office.		7/1/24 Completed	Replacement of Compressor completed 07/01/24 w/ Commercial Air	Replace compressor equipment.
TJC Cities	Installation of GFCI outlets in OR1 and L/D.		Completed	07/20/24 – GFCI Install within OR and LD areas scheduled.	
OR Suite #1 (ASC)			7/12/23 Completed	RTU 5 coil and compressor repair scheduled 07/12/24.	
Hollister Paint kitchen/café – Kitchen Floor Epoxy	Refresh paint and epoxy floor in hospital kitchen/café.			07/08/24 - Painting project initiated; Epoxy floor painting in process.	
Contract Management Software	Demo, choose and build contract management repository	5/6/24	6/30/24 - Completed	Purchasing staff is entering contracts	Demo and selection of software
MD Staff	MD-Staff is a feature rich enterprise level credentialing	3/18/24	20-30 Weeks - Completed	Test Conversion Scheduled for 6/12/24 – Install completed	Provide Merge Documents and priv forms Training



	system that is powerful, user friendly, and intuitive.				Upload checklists
ER door glass replacement – WC Window replacement	Replace glass door in Emergency Room and window in Women's Center.		7/1/24 Completed	Replace glass doors	New glass doors Emergency Room and Window in Women's Center.

HUMAN RESOURCES DASHBOARD 2024

DEPARTMENTAL METRICS	June	July	August	YTD(Jan-Aug)
# Employees	685	687	686	681
# New Hires	11	10	12	103
# Terminations	7	10	13	80
Overall Turnover	1.0%	1.5%	1.9%	11.7%
Nursing Turnover	0.8%	0.8%	1.6%	12.4%

Terms By Union	June	July	August	YTD(Jan-Aug)
The California Nurses Association (CNA)	1	1	2	16
National Union of Healthcare Workers (NUHW)	5	3	8	46
California License Vocational Nurses (CLVN)	0	2	0	4
Engineers and Scientists of California (ESC)	0	1	0	1
Non-Union	1	3	3	13

Terms By Reason (V=Voluntary & IV= Involuntary)	June	July	August	YTD(Jan-Aug)
Personal (V)	1	1	2	16
New Opportunity(V)	0	4	3	7
Retirement (V)	1	0	1	11
Schedule (V)	0	0	0	3
Job Abandonment (V)	1	0	0	3
No Reason Given (V)	0	0	0	14
Relocating (V)	2	0	1	5
School (V)	1	1	3	5
No Show (V)	0	0	0	1
RIF(IV)	0	0	1	2
Performance (IV)	1	4	2	14



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, SEPTEMBER 19, 2024 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians and the community.

1. Call to Order

2. Review Financial Updates
 - Financial Statements – August 2024
 - Finance Dashboard – August 2024
 - Supplemental Payments – August 2024

3. Consider Recommendation for Board Approval of Commercial Lease Agreement with Stanley John Alonso Irrevocable Trust.
 - Report
 - Committee Questions
 - Motion/Second

4. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee**, which are not on this agenda.

5. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, October 17, 2024 at 4:30 p.m.**



Hazel Hawkins

MEMORIAL HOSPITAL

The complete Finance Committee packet including subsequently distributed materials and presentations is available at the Finance Committee meeting and in the Administrative Offices of the District. All items appearing on the agenda are subject to action by the Finance Committee. Staff and Committee recommendations are subject to change by the Finance Committee.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.



September 19, 2024

CFO Financial Summary for the District Board:

For the month ending August 31, 2024, the District's Net Surplus (Loss) is \$2,437,879 compared to a budgeted Surplus (Loss) of \$259,335. The District exceeded its budget for the month by \$2,178,544.

YTD as of August 31, 2024, the District's Net Surplus (Loss) is \$3,568,161 compared to a budgeted Surplus (Loss) of (\$12,938). The District is exceeding its budget YTD by \$3,581,099.

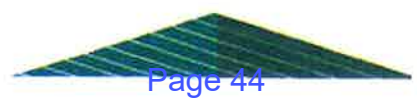
Acute discharges were 194 for the month, exceeding budget by 66 discharges or 52%. The ADC was 16.9 compared to a budget of 111.45. The ALOS was 2.7. The acute I/P gross revenue exceeded budget by **\$2.77 million** while O/P services gross revenue was **\$1.47 million** or 5% over budget. ER I/P visits were 152 and ER O/P visits were over budget by 130 visits or 7%. The RHCs & Specialty Clinics treated 3,616 (includes 570 visits at the Diabetes Clinic) and 991 visits respectively.

Other Operating revenue exceeded budget by **\$14,496**.

Operating Expenses were under budget by **\$406,115** due mainly to negative variances in: Registry of \$258,648 and Purchase Services of \$137,458. The increase in expenses is attributable to increase in patient volume.

Non-operating Revenue exceeded budget by **\$8,790**.

The SNFs ADC was **84.45** for the month. The Net Surplus (Loss) is \$52,096 compared to a budget of \$61,776. YTD, the Net Surplus (Loss) is \$189,030 exceeding its budget by \$65,532.



HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 08/31/24

	CURRENT MONTH		PRIOR YR		YEAR-TO-DATE		PRIOR YR			
	ACTUAL 08/31/24	BUDGET 08/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 08/31/23	BUDGET 08/31/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 08/31/23	PERCENT VARIANCE
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	4,176,088	2,671,109	1,504,979	56	2,671,109	7,701,120	2,278,708	42	5,422,411	5,422,411
SNP ROUTINE REVENUE	1,970,850	1,933,008	37,842	2	2,111,705	3,543,680	77,664	2	4,530,678	4,530,678
ANCILLARY INFAPIENT REVENUE	4,686,482	3,472,676	1,213,806	35	3,568,790	9,324,746	7,021,896	33	7,176,518	7,176,518
HOSPITALIST/PEDS I/P REVENUE	0	0	0	0	114,863	0	0	0	252,752	252,752
TOTAL GROSS INPATIENT REVENUE	10,833,420	8,076,793	2,756,627	34	8,666,466	20,969,546	4,659,222	29	17,482,358	17,482,358
ANCILLARY OUTPATIENT REVENUE	29,781,196	28,313,033	1,468,163	5	27,757,876	57,982,812	3,451,368	6	53,461,629	53,461,629
HOSPITALIST/PEDS O/P REVENUE	0	0	0	0	52,421	0	0	0	106,319	106,319
TOTAL GROSS OUTPATIENT REVENUE	29,781,196	28,313,033	1,468,163	5	27,810,297	57,982,812	3,451,368	6	53,567,949	53,567,949
TOTAL GROSS PATIENT REVENUE	40,614,616	36,389,826	4,224,790	12	36,476,763	78,952,358	8,111,190	11	71,050,307	71,050,307
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	10,742,452	9,837,137	905,315	9	8,862,833	21,433,476	2,283,707	12	18,678,708	18,678,708
MEDI-CAL CONTRACTUAL ALLOWANCES	9,956,187	9,807,142	149,045	2	11,084,302	20,569,800	19,048,842	8	20,810,190	20,810,190
BAD DEBT EXPENSE	637,981	518,137	119,844	23	662,649	1,303,650	1,007,137	29	1,376,158	1,376,158
CHARITY CARE	(95)	38,621	(38,716)	(100)	26,414	1,119	75,050	(99)	70,633	70,633
OTHER CONTRACTUALS AND ADJUSTMENTS	4,933,179	4,334,468	598,711	14	4,506,455	9,443,280	8,399,256	12	8,531,241	8,531,241
HOSPITALIST/PEDS CONTRACTUAL ALLOW	0	0	0	0	(526)	0	0	0	(4,887)	(4,887)
TOTAL DEDUCTIONS FROM REVENUE	26,269,705	28,535,505	1,734,200	7	25,143,127	52,751,324	5,071,270	11	49,462,043	49,462,043
NET PATIENT REVENUE	14,344,912	11,854,321	2,490,591	21	11,333,636	26,201,034	3,039,920	13	21,588,263	21,588,263
OTHER OPERATING REVENUE	562,377	547,881	14,496	3	586,709	1,184,036	88,274	8	1,175,951	1,175,951
NET OPERATING REVENUE	14,907,288	12,402,202	2,505,086	20	11,920,345	27,385,070	3,128,194	13	22,764,214	22,764,214
OPERATING EXPENSES:										
SALARIES & WAGES	5,054,909	5,177,667	(122,759)	(2)	4,904,069	9,826,801	(528,534)	(5)	9,294,179	9,294,179
REGISTRY	509,623	229,839	279,784	122	286,746	988,725	459,678	115	462,794	462,794
EMPLOYEE BENEFITS	2,272,908	2,371,069	(98,161)	(4)	2,083,670	4,287,281	(458,914)	(10)	3,940,859	3,940,859
PROFESSIONAL FEES	1,677,439	1,656,213	21,226	1	1,570,790	3,046,070	(266,356)	(8)	3,103,123	3,103,123
SUPPLIES	1,024,816	963,157	61,659	6	1,029,790	2,083,210	176,226	5	1,884,353	1,884,353
PURCHASED SERVICES	1,280,372	1,151,622	128,750	11	1,174,276	2,451,342	188,098	8	2,257,910	2,257,910
RENTAL	157,330	150,183	7,147	5	128,801	277,825	(22,541)	(8)	243,190	243,190
DEPRECIATION & AMORT	315,286	318,477	(3,191)	0	326,161	637,990	636,954	0	651,817	651,817
INTEREST	6,104	28,126	(22,022)	(78)	24,073	12,186	(44,119)	(78)	51,070	51,070
OTHER	520,510	441,612	78,898	18	424,079	867,481	(15,743)	(2)	855,211	855,211
TOTAL EXPENSES	12,823,296	12,487,965	335,331	3	11,942,454	24,518,911	(441,059)	(2)	22,724,506	22,724,506
NET OPERATING INCOME (LOSS)	2,083,992	(85,763)	2,169,755	(2,530)	(22,110)	2,866,159	3,569,293	(508)	39,708	39,708

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 08/31/24

	ACTUAL		BUDGET		CURRENT MONTH		PRIOR YR		ACTUAL		BUDGET		YEAR-TO-DATE		PRIOR YR	
	08/31/24	08/31/24	08/31/24	08/31/24	POS/NEG	PERCENT	08/31/23	08/31/23	08/31/24	08/31/24	08/31/24	08/31/24	POS/NEG	PERCENT	08/31/23	08/31/23
NON-OPERATING REVENUE\EXPENSES:																
DONATIONS	8,222	5,000	3,222	64	1,591	13,876	10,000	3,876	39	1,133						
PROPERTY TAX REVENUE	241,122	241,122	0	0	236,568	482,244	482,244	0	0	411,422						
GO BOND PROP TAXES	175,915	175,915	0	0	170,388	351,830	351,830	(1)	0	340,776						
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	0	(66,721)	(130,163)	(130,163)	(1)	0	(137,442)						
OTHER NON-OPER REVENUE	16,295	15,908	387	2	14,924	30,561	31,816	(1,255)	(4)	43,510						
OTHER NON-OPER EXPENSE	(27,767)	(27,766)	(1)	0	(32,742)	(55,630)	(55,630)	(98)	0	(65,442)						
INVESTMENT INCOME	5,182	0	5,182	0	0	9,283	0	9,283	0	1,051						
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0						
TOTAL NON-OPERATING REVENUE/(EXPENSE)	353,887	345,098	8,789	3	322,108	702,002	690,196	11,806	2	595,006						
NET SURPLUS (LOSS)	2,437,879	259,335	2,178,544	840	299,398	3,568,161	(12,938)	3,581,099	(27,679)	634,714						
EBIDA	\$ 2,674,088	\$ 494,744	\$ 2,179,354	440.50%	\$ 557,235	\$ 4,040,113	\$ 457,880	\$ 3,582,233	782.35%	\$ 1,148,640						
EBIDA MARGIN	17.94%	3.99%	13.95%	349.66%	4.67%	14.75%	1.89%	12.87%	681.56%	5.05%						
OPERATING MARGIN	13.98%	(0.69)%	14.67%	(2,121.63)%	(0.19)%	10.47%	(2.90)%	13.36%	(461.06)%	0.17%						
NET SURPLUS (LOSS) MARGIN	16.35%	2.09%	14.26%	682.09%	2.52%	13.03%	(0.05)%	13.08%	(24,545.59)%	2.79%						

HAZEL HANKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 08/31/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 08/31/24	BUDGET 08/31/24	PERCENT VARIANCE	ACTUAL 08/31/23	BUDGET 08/31/24	PERCENT VARIANCE	ACTUAL 08/31/24	BUDGET 08/31/24	PERCENT VARIANCE	PRIOR YR 08/31/23
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	4,176,088	2,671,109	56	2,671,109	7,701,120	5,422,412	2,278,708	42	4,422,411	
ANCILLARY INPATIENT REVENUE	4,417,063	3,153,724	40	3,153,720	8,770,142	6,383,992	2,386,150	37	3,383,989	
HOSPITALIST I/P REVENUE	0	0	0	114,863	0	0	0	0	252,752	
TOTAL GROSS INPATIENT REVENUE	8,593,151	5,824,833	48	5,939,691	16,471,261	11,806,404	4,664,857	40	12,059,152	
ANCILLARY OUTPATIENT REVENUE	29,781,196	28,313,033	5	27,757,876	57,982,812	54,530,844	3,451,968	6	53,461,629	
HOSPITALIST O/P REVENUE	0	0	0	52,421	0	0	0	0	106,319	
TOTAL GROSS OUTPATIENT REVENUE	29,781,196	28,313,033	5	27,810,297	57,982,812	54,530,844	3,451,968	6	53,557,949	
TOTAL GROSS ACUTE PATIENT REVENUE	38,374,347	34,137,866	12	33,749,987	74,454,073	66,337,248	8,116,825	12	65,627,100	
DEDUCTIONS FROM REVENUE ACCTS:										
MEDICARE CONTRACTUAL ALLOWANCES	10,549,006	9,629,126	10	8,534,458	20,988,136	18,733,747	2,254,389	12	16,044,632	
MEDI-CAL CONTRACTUAL ALLOWANCES	9,770,999	9,685,664	1	10,845,770	20,271,530	18,805,886	1,465,644	8	20,426,677	
BAD DEBT EXPENSE	602,957	513,137	18	684,786	1,284,459	997,137	287,322	29	1,332,075	
CHARITY CARE	(95)	38,621	(100)	26,414	1,119	75,050	(73,931)	(99)	70,633	
OTHER CONTRACTUALS AND ADJUSTMENTS	4,909,262	4,302,840	14	4,527,058	9,401,409	8,336,000	1,065,409	13	8,475,049	
HOSPITALIST/FEES CONTRACTUAL ALLOW	0	0	0	(526)	0	0	0	0	(4,887)	
TOTAL ACUTE DEDUCTIONS FROM REVENUE	25,832,130	24,169,388	7	24,617,959	51,946,553	46,947,820	4,998,733	11	48,344,180	
NET ACUTE PATIENT REVENUE	12,542,218	9,968,478	26	9,132,028	22,507,420	19,389,428	3,117,992	16	17,282,920	
OTHER OPERATING REVENUE	562,377	547,881	3	586,709	1,184,036	1,095,762	88,274	5	1,175,951	
NET ACUTE OPERATING REVENUE	13,104,594	10,516,359	25	9,718,738	23,691,456	20,485,190	3,206,266	16	18,456,871	
OPERATING EXPENSES:										
SALARIES & WAGES	4,068,743	4,163,334	(2)	3,867,444	7,850,657	8,326,668	(476,011)	(6)	7,342,352	
REGISTRY	458,648	200,000	129	250,451	891,605	400,000	491,605	123	392,311	
EMPLOYEE BENEFITS	1,822,736	1,846,084	(1)	1,632,779	3,371,225	3,696,171	(324,946)	(9)	3,064,557	
PROFESSIONAL FEES	1,675,229	1,653,831	1	1,568,580	3,041,650	3,307,662	(266,012)	(8)	3,096,703	
SUPPLIES	933,901	867,031	8	934,046	1,882,832	1,714,032	168,800	10	1,692,254	
PURCHASED SERVICES	1,199,794	1,062,336	13	1,087,215	2,325,534	2,124,672	200,862	10	2,086,606	
RENTAL	155,819	149,059	5	127,788	275,048	298,178	(23,130)	(8)	241,187	
DEPRECIATION & AMORT	280,162	278,960	0	286,768	559,742	557,860	1,882	0	573,032	
INTEREST	6,104	28,126	(78)	24,073	12,186	56,305	(44,119)	(78)	51,070	
OTHER	438,898	385,147	14	362,914	741,203	770,294	(29,091)	(4)	742,311	
TOTAL EXPENSES	11,040,033	10,633,918	4	10,142,058	20,951,682	21,251,862	(300,180)	(1)	19,284,382	
NET OPERATING INCOME (LOSS)	2,064,561	(117,559)	(1,856)	(423,321)	2,739,774	(766,672)	3,506,446	(457)	(825,512)	

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 08/31/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 08/31/24	BUDGET 08/31/24	PERCENT VARIANCE	ACTUAL 08/31/23	BUDGET 08/31/24	PERCENT VARIANCE	POS/NEG VARIANCE	FOS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/23
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	8,222	5,000	64	1,691	13,876	39	3,876	10,000	39	1,133
PROPERTY TAX REVENUE	204,954	204,954	0	205,711	409,908	0	0	409,908	0	349,708
GO BOND PROP TAXES	175,915	175,915	0	170,388	351,830	(1)	(1)	351,830	0	340,776
GO BOND INT REVENUE\EXPENSE	(65,081)	(65,081)	0	(68,721)	(130,163)	(1)	(1)	(130,162)	0	(137,442)
OTHER NON-OPER REVENUE	16,295	15,908	387	14,924	31,816	(4)	(4)	31,816	(4)	43,510
OTHER NON-OPER EXPENSE	(21,576)	(21,576)	0	(25,454)	(43,253)	(97)	(97)	(43,156)	0	(50,867)
INVESTMENT INCOME	5,182	0	5,182	0	9,283	0	9,283	0	0	1,051
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	323,908	315,118	3	298,538	632,042	2	11,806	630,236	2	547,868
NET SURPLUS (LOSS)	2,388,468	1,97,559	1,109	(124,782)	3,381,816	(2,579)	3,518,252	(136,436)	(2,579)	(277,644)

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 08/31/24

	ACTUAL		BUDGET		CURRENT MONTE		PRIOR YR		ACTUAL		BUDGET		YEAR-TO-DATE		PRIOR YR	
	08/31/24	08/31/24	08/31/24	08/31/24	POS/NEG	PERCENT	08/31/23	08/31/23	08/31/24	08/31/24	08/31/24	08/31/24	POS/NEG	PERCENT	08/31/23	08/31/23
GROSS SNF PATIENT REVENUE:																
ROUTINE SNF REVENUE	1,970,650	1,933,098	37,842	2	2,311,705		3,943,680		3,866,016		77,664		2		4,630,678	
ANCILLARY SNF REVENUE	269,419	318,952	(49,533)	(16)	415,070		554,605		637,904		(81,299)		(13)		792,529	
TOTAL GROSS SNF PATIENT REVENUE	2,240,269	2,251,960	(11,691)	(1)	2,726,775		4,498,285		4,503,920		(5,635)		0		5,423,206	
DEDUCTIONS FROM REVENUE SNF:																
MEDICARE CONTRACTUAL ALLOWANCES	193,446	208,011	(14,565)	(7)	325,375		445,339		416,022		29,317		7		634,076	
MEDI-CAL CONTRACTUAL ALLOWANCES	185,189	121,478	63,711	52	238,532		298,269		242,956		55,313		23		383,513	
BAD DEBT EXPENSE	35,024	5,000	30,024	601	(21,137)		19,191		10,000		9,191		92		44,083	
CHARITY CARE	0	0	0	0	0		0		0		0		0		0	
OTHER CONTRACTUALS AND ADJUSTMENTS	23,517	31,628	(7,712)	(24)	(20,603)		41,871		63,256		(21,385)		(34)		56,192	
TOTAL SNF DEDUCTIONS FROM REVENUE	437,575	366,117	71,458	20	525,168		804,671		732,234		72,437		10		1,117,863	
NET SNF PATIENT REVENUE	1,802,694	1,885,843	(83,149)	(4)	2,201,607		3,693,614		3,771,686		(78,072)		(2)		4,305,343	
OTHER OPERATING REVENUE	0	0	0	0	0		0		0		0		0		0	
NET SNF OPERATING REVENUE	1,802,694	1,885,843	(83,149)	(4)	2,201,607		3,693,614		3,771,686		(78,072)		(2)		4,305,343	
OPERATING EXPENSES:																
SALARIES & WAGES	986,166	1,014,333	(28,167)	(3)	1,036,624		1,976,143		2,028,666		(52,523)		(3)		1,951,827	
REGISTRY	50,976	29,839	21,137	71	36,295		97,120		59,678		37,442		53		70,484	
EMPLOYEE BENEFITS	450,172	524,985	(74,813)	(14)	450,892		916,057		1,050,024		(133,967)		(13)		876,302	
PROFESSIONAL FEES	2,210	2,382	(172)	(7)	2,210		4,420		4,764		(344)		(7)		4,420	
SUPPLIES	88,230	56,126	(7,896)	(8)	95,744		197,693		192,252		5,441		3		182,099	
PURCHASED SERVICES	80,578	89,286	(8,708)	(10)	87,061		165,808		178,572		(12,764)		(7)		171,304	
RENTAL	1,511	1,094	417	38	1,012		2,777		2,188		589		27		2,003	
DEPRECIATION	39,124	39,537	(413)	(1)	39,393		78,247		79,074		(827)		(1)		78,785	
INTEREST	0	0	0	0	0		0		0		0		0		0	
OTHER	81,613	56,455	25,148	45	51,165		126,278		112,930		13,348		12		92,900	
TOTAL EXPENSES	1,780,578	1,854,047	(73,469)	(4)	1,809,396		3,564,544		3,708,146		(143,604)		(4)		3,440,124	
NET OPERATING INCOME (LOSS)	22,116	31,796	(9,680)	(30)	401,211		129,070		63,538		65,532		103		865,219	
NON-OPERATING REVENUE\EXPENSE:																
DONATIONS	0	0	0	0	0		0		0		0		0		0	
PROPERTY TAX REVENUE	36,168	36,168	0	0	30,857		72,336		72,336		0		0		61,714	
OTHER NON-OPER EXPENSE	(6,188)	(5,188)	0	0	(7,288)		(12,377)		(12,376)		(1)		0		(14,576)	
TOTAL NON-OPERATING REVENUE/(EXPENSE)	29,980	25,980	0	0	23,569		59,960		59,960		(1)		0		47,139	
NET SURPLUS (LOSS)	52,096	61,776	(9,680)	(16)	424,781		169,030		123,498		65,532		53		912,358	

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 08/31/24

	CURR MONTH 08/31/24	PRIOR MONTH 07/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT ASSETS					
CASH & CASH EQUIVALENT	29,990,284	32,140,544	(2,150,260)	(7)	35,254,150
PATIENT ACCOUNTS RECEIVABLE	67,353,194	69,013,972	(1,660,778)	(2)	67,848,785
BAD DEBT ALLOWANCE	(9,657,387)	(9,539,989)	(117,398)	1	(9,487,617)
CONTRACTUAL RESERVES	(41,415,770)	(43,684,717)	2,268,947	(5)	(43,327,435)
OTHER RECEIVABLES	6,505,939	6,043,120	462,819	8	5,735,874
INVENTORIES	4,493,124	4,494,501	(1,377)	0	4,496,070
PREPAID EXPENSES	3,019,982	2,536,327	483,656	19	1,775,026
DUE TO/FROM THIRD PARTIES	1,892,052	1,892,052	0	0	1,892,052
TOTAL CURRENT ASSETS	62,181,418	62,895,809	(714,392)	(1)	64,186,905
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	7,304,428	6,970,142	334,286	5	4,072,225
TOTAL LIMITED USE ASSETS	7,304,428	6,970,142	334,286	5	4,072,225
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	45,451,891	44,684,771	767,120	2	44,585,938
CONSTRUCTION IN PROGRESS	1,502,560	1,412,196	90,364	6	1,243,050
GROSS PROPERTY, PLANT, AND EQUIPMENT	150,423,299	149,565,815	857,484	1	149,297,836
ACCUMULATED DEPRECIATION	(95,076,605)	(94,742,612)	(333,993)	0	(94,409,166)
NET PROPERTY, PLANT, AND EQUIPMENT	55,346,694	54,823,202	523,492	1	54,888,670
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	386,325	392,237	(5,911)	(2)	398,148
PENSION DEFERRED OUTFLOWS NET	18,285,289	19,285,289	0	0	18,285,289
TOTAL OTHER ASSETS	18,671,614	18,677,526	(5,911)	0	18,683,437
TOTAL UNRESTRICTED ASSETS	143,504,154	143,366,679	137,476	0	141,831,236
RESTRICTED ASSETS	19,105	19,052	54	0	18,593
TOTAL ASSETS	143,523,259	143,385,730	137,529	0	141,849,829

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 08/31/24

	CURR MONTH 08/31/24	PRIOR MONTH 07/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/24
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	6,027,706	6,273,827	246,121	(4)	8,572,685
ACCRUED PAYROLL	4,449,854	6,161,953	1,712,100	(28)	5,660,333
ACCRUED PAYROLL TAXES	1,406,732	1,564,394	157,662	(10)	1,530,768
ACCRUED BENEFITS	6,464,045	6,155,886	(308,158)	5	6,695,829
ACCRUED PENSION (CURRENT)	4,952,331	4,952,331	0	0	4,952,331
OTHER ACCRUED EXPENSES	97,268	90,526	(6,742)	7	89,559
PATIENT REFUNDS PAYABLE	11,058	2,437	(8,621)	354	12,920
DUE TO\FROM THIRD PARTIES	(305,353)	294,647	600,000	(204)	294,647
OTHER CURRENT LIABILITIES	1,597,702	1,470,420	(127,282)	9	1,416,889
TOTAL CURRENT LIABILITIES	24,701,341	26,966,421	2,265,079	(8)	29,225,961
LONG-TERM DEBT					
LEASES PAYABLE	8,128,820	8,135,610	6,791	0	8,442,390
BONDS PAYABLE	31,685,081	31,713,601	28,520	0	31,742,121
TOTAL LONG TERM DEBT	39,813,901	39,849,212	35,311	0	37,184,511
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	101,001,106	103,301,496	2,300,390	(2)	102,896,336
NET ASSETS:					
UNRESTRICTED FUND BALANCE	38,858,901	38,858,901	0	0	38,858,901
RESTRICTED FUND BALANCE	95,105	95,052	(54)	0	94,593
NET REVENUE/(EXPENSES)	3,568,148	1,130,282	(2,437,866)	216	0
TOTAL NET ASSETS	42,522,153	40,084,234	(2,437,920)	6	38,953,494
TOTAL LIABILITIES AND NET ASSETS	143,523,259	143,385,730	(137,529)	0	141,849,829

Description	Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	11.45	16.90	16.00	12.02	14.90
Average Daily Census - SNF	81.97	84.45	84.55	81.97	85.00
Acute Length of Stay	2.77	2.70	2.65	2.86	2.90
ER Visits:					
Inpatient	96	152	291	200	1,444
Outpatient	1,973	2,103	4,111	3,945	25,269
Total	2,069	2,255	4,402	4,145	26,713
Days in Accounts Receivable	50.0	54.3	54.3	50.0	50.0
Productive Full-Time Equivalents	521.33	513.78	506.93	521.33	521.33
Net Patient Revenue	11,854,321	14,344,912	26,201,034	23,161,114	144,649,605
Payment-to-Charge Ratio	32.6%	35.3%	33.2%	32.7%	32.7%
Medicare Traditional Payor Mix	29.10%	30.05%	28.13%	29.04%	28.51%
Commercial Payor Mix	21.67%	22.92%	23.01%	21.55%	21.88%
Bad Debt % of Gross Revenue	1.42%	1.57%	1.65%	1.42%	1.42%
EBIDA	494,744	2,674,098	4,040,113	457,880	9,671,943
EBIDA %	3.99%	17.94%	14.75%	1.89%	6.40%
Operating Margin	-0.69%	13.98%	10.47%	-2.90%	1.72%
Salaries, Wages, Registry & Benefits %:					
by Net Operating Revenue	62.72%	52.57%	55.15%	64.15%	61.10%
by Total Operating Expense	62.29%	61.12%	61.60%	62.34%	62.15%
Bond Covenants:					
Debt Service Ratio	1.25	12.98	12.98	1.25	1.25
Current Ratio	1.50	2.52	2.52	1.50	1.50
Days Cash on hand	30.00	77.68	77.68	30.00	30.00
Met or Exceeded Target					
Within 10% of Target					
Not Within 10%					

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Eleven months ending August 31, 2024

	CASH FLOW		COMMENTS
	Current Month 8/31/2024	Current Year-To-Date 8/31/2024	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$2,437,879	\$3,568,161	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	333,993	667,439	
(Increase)/Decrease in Net Patient Accounts Receivable	(490,771)	(1,246,303)	
(Increase)/Decrease in Other Receivables	(462,819)	(770,065)	
(Increase)/Decrease in Inventories	1,377	2,946	
(Increase)/Decrease in Pre-Paid Expenses	(483,656)	(1,244,957)	
(Increase)/Decrease in Due From Third Parties	0	0	
Increase/(Decrease) in Accounts Payable	(246,121)	(2,544,979)	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(1,561,602)	(1,566,299)	
Increase/(Decrease) in Accrued Expenses	6,742	7,709	
(Increase)/Decrease in Patient Refunds Payable	8,621	(1,862)	
Increase/(Decrease) in Third Party Advances/Liabilities	(600,000)	(600,000)	
Increase/(Decrease) in Other Current Liabilities	127,292	180,813	
Net Cash Provided by Operating Activities:	(3,366,954)	(7,115,558)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(857,484)	(1,125,463)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(334,286)	(3,232,203)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	5,911	11,822	Amortization
Net Cash Used by Investing Activities	(1,185,859)	(4,345,844)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(6,791)	2,686,430	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(57,040)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	(35,311)	2,629,390	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	0	
Net Increase/(Decrease) in Cash	(2,150,260)	(5,263,866)	
Cash, Beginning of Period	32,140,544	35,254,150	
Cash, End of Period	\$29,990,284	\$29,990,284	\$0

\$388,072

Cost per day to run the District
Operational Days Cash on Hand

77.68

Hazel Hawkins Memorial Hospital
 Bad Debt Expense
 For the Year Ending June 30, 2025

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Budgeted Gross Revenue	34,451,342	36,389,826	36,631,205	37,341,167	36,368,385	37,685,918	38,472,439	36,636,643	38,136,750	35,898,718	37,223,200	37,145,231	442,380,824
Budgeted Bad Debt Expense	489,000	518,137	522,857	531,611	518,107	536,794	547,792	523,630	542,744	509,449	528,186	528,187	6,296,494
BD Exp as a percent of Gross Revenue	1.42%	1.42%	1.43%	1.42%	1.42%	1.42%	1.42%	1.43%	1.42%	1.42%	1.42%	1.42%	1.42%
Actual Gross Revenue	38,349,323	40,614,616											78,963,939
Actual Bad Debt Expense	665,668	637,981											1,303,649
BD Exp as a percent of Gross Revenue	1.74%	1.57%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.65%
Budgeted YTD BD Exp	1,007,137												75,050
Actual YTD BD Exp	1,303,649												1,119
Amount under (over) budget	(296,512)												73,931
Prior Year percent of Gross Revenue	1.82%												0.00%
Percent of Decrease (Inc) from Prior Year	9.3%												

YTD Charity Exp Budget 75,050
 YTD Charity Exp Actual 1,119
 Amt under (over) budget 73,931
 Charity Exp % of Gross Rev 0.00%



COMMERCIAL LEASE AGREEMENT
(C.A.R. Form CL, Revised 12/23)

Date (For reference only): August 19, 2024

Stanley John Alonso Irrevocable Trust (Owner, Authorized Broker or Agent, or Property Manager, ("Landlord")) and Hazel Hawkins Hospital ("Tenant") agree as follows:

- 1. PROPERTY: Landlord rents to Tenant and Tenant rents from Landlord, the real property and improvements described as 320 Hillcrest Rd, (Units 102 & 103), Hollister, Ca 95023 ("Premises")...
2. TERM: The term begins on (date) September 1, 2024 ("Commencement Date")...
3. BASE RENT: Tenant agrees to pay Base Rent at the rate of (CHECK ONE ONLY):
A. Lease: and shall terminate on (date) 08/31/2029 at 11:59 PM...
B. Month-to-month: and continues as a month-to-month tenancy...
C. RENEWAL OR EXTENSION TERMS: OR See attached addendum.
4. RENT:
A. Definition: ("Rent") shall mean all monetary obligations of Tenant to Landlord...
B. Payment: Rent shall be paid to (Name) Stanley John Alonso Irrevocable Trust at (address) PO Box 245, Gilroy, Ca 95021...
C. Timing: Base Rent shall be paid as specified in paragraph 3...
5. EARLY POSSESSION: Tenant is entitled to possession of the Premises on...
6. SECURITY DEPOSIT:
A. Tenant agrees to pay Landlord \$ as a security deposit...
B. All or any portion of the security deposit may be used, as reasonably necessary...
C. No interest will be paid on security deposit, unless required by local ordinance.

CL REVISED 12/23 (PAGE 1 OF 7)

Landlord's Initials / Tenant's Initials



COMMERCIAL LEASE AGREEMENT (CL PAGE 1 OF 7)

Reuz & Renz 7500 Arroyo Circle Suite 170 Gilroy, CA 95020
Christian Reuz

Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201

Phone: (408)846-1031 Fax: (408)846-1042
www.lwll.com

Hillcrest Leas

7. PAYMENTS:

	TOTAL DUE	PAYMENT RECEIVED	BALANCE DUE	DUE DATE
A. Rent: From _____ To _____	\$ _____	\$ _____	\$ _____	_____
B. Security Deposit	\$ _____	\$ _____	\$ _____	_____
C. Other: _____ Category _____	\$ _____	\$ _____	\$ _____	_____
D. Other: _____ Category _____	\$ _____	\$ _____	\$ _____	_____
E. Total:	\$ _____	\$ _____	\$ _____	_____

8. **PARKING:** Tenant is entitled to _____ unreserved and _____ reserved vehicle parking spaces. The right to parking is is not included in the Base Rent charged pursuant to **paragraph 3**. If not included in the Base Rent, the parking rental fee shall be an additional \$ _____ per month. Parking space(s) are to be used for parking operable motor vehicles, except for trailers, boats, campers, buses or trucks (other than pick-up trucks). Tenant shall park in assigned space(s) only. Parking space(s) are to be kept clean. Vehicles leaking oil, gas or other motor vehicle fluids shall not be parked in parking spaces or on the Premises. Mechanical work or storage of inoperable vehicles is not allowed in parking space(s) or elsewhere on the Premises. No overnight parking is permitted.
9. **ADDITIONAL STORAGE:** Storage is permitted as follows: _____. The right to additional storage space is is not included in the Base Rent charged pursuant to **paragraph 3**. If not included in Base Rent, storage space shall be an additional \$ _____ per month. Tenant shall store only personal property that Tenant owns, and shall not store property that is claimed by another, or in which another has any right, title, or interest. Tenant shall not store any improperly packaged food or perishable goods, flammable materials, explosives, or other dangerous or hazardous material. Tenant shall pay for, and be responsible for, the clean-up of any contamination caused by Tenant's use of the storage area.
10. **LATE CHARGE; INTEREST; NSF CHECKS:** Tenant acknowledges that either late payment of Rent or issuance of a NSF check may cause Landlord to incur costs and expenses, the exact amount of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses, and late charges imposed on Landlord. If any installment of Rent due from Tenant is not received by Landlord within 5 calendar days after date due, or if a check is returned NSF, Tenant shall pay to Landlord, respectively, **\$490.00** as late charge, plus 10% interest per annum on the delinquent amount and \$25.00 as a NSF fee, any of which shall be deemed additional Rent. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge, delinquent interest, or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a Late Charge or NSF fee shall not be deemed an extension of the date Rent is due under **paragraph 4**, or prevent Landlord from exercising any other rights and remedies under this agreement, and as provided by law.
11. **CONDITION OF PREMISES:** Tenant has examined the Premises and acknowledges that Premises is clean and in operative condition, with the following exceptions: _____
Items listed as exceptions shall be dealt with in the following manner: _____
12. **ZONING AND LAND USE:** Tenant accepts the Premises subject to all local, state and federal laws, regulations and ordinances ("Laws"). Landlord makes no representation or warranty that Premises are now or in the future will be suitable for Tenant's use. Tenant has made its own investigation regarding all applicable Laws.
13. **TENANT OPERATING EXPENSES:** Tenant agrees to pay for all utilities and services directly billed to Tenant.
14. **PROPERTY OPERATING EXPENSES:**
A. Tenant agrees to pay its proportionate share of Landlord's estimated monthly property operating expenses, including but not limited to, common area maintenance, consolidated utility and service bills, insurance, and real property taxes, based on the ratio of the square footage of the Premises to the total square footage of the rentable space in the entire property.
B. (If checked) **paragraph 14** does not apply.
15. **USE:** The Premises are for the sole use as **Storage Only** _____
No other use is permitted without Landlord's prior written consent. If any use by Tenant causes an increase in the premium on Landlord's existing property insurance, Tenant shall pay for the increased cost. Tenant will comply with all Laws affecting its use of the Premises.
16. **RULES/REGULATIONS:** Tenant agrees to comply with all rules and regulations of Landlord (and, if applicable, Owner's Association) that are at any time posted on the Premises or delivered to Tenant. Tenant shall not, and shall ensure that guests and licensees of Tenant do not, disturb, annoy, endanger, or interfere with other tenants of the building or neighbors, or use of the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing, or transporting illicit drugs or other contraband, or violate any law or ordinance, or committing a waste or nuisance on or about the Premises.
17. **MAINTENANCE:**
A. Tenant **OR** (If checked, Landlord) shall professionally maintain the Premises including heating, air conditioning, electrical, plumbing and water systems, if any.
B. Tenant **OR** (If checked, Landlord) shall keep glass, windows and doors in operable and safe condition.
C. Landlord **OR** (If checked, Tenant) shall maintain the roof, foundation, exterior walls, common areas and _____

D. Unless Landlord is indicated above, if Tenant fails to maintain the Premises, or keep it in operable and safe condition, as specified in 17 A-C, Landlord may contract for or perform such services to maintain the Premises, or keep it in operable and safe condition, as specified in 17 A-C, and charge Tenant for Landlord's cost.
18. **ALTERATIONS:** Tenant shall not make any alterations in or about the Premises, including installation of trade fixtures and signs, without Landlord's prior written consent, which shall not be unreasonably withheld. Any alterations to the Premises shall be done according to Law and with required permits. Tenant shall give Landlord advance notice of the commencement date of any planned alteration, so that Landlord, at its option, may post a Notice of Non-Responsibility to prevent potential liens against Landlord's interest in the Premises. Landlord may also require Tenant to provide Landlord with lien releases from any contractor performing work on the Premises.
19. **GOVERNMENT IMPOSED ALTERATIONS:** Any alterations required by Law as a result of Tenant's use shall be Tenant's responsibility. Landlord shall be responsible for any other alterations required by Law.

CL REVISED 12/23 (PAGE 2 OF 7)

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____



COMMERCIAL LEASE AGREEMENT (CL PAGE 2 OF 7)

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Hillcrest Leas

31. **LANDLORD'S TRANSFER:** Tenant agrees that the transferee of Landlord's interest shall be substituted as Landlord under this agreement. Landlord will be released of any further obligation to Tenant regarding the security deposit, only if the security deposit is returned to Tenant upon such transfer, or if the security deposit is actually transferred to the transferee. For all other obligations under this agreement, Landlord is released of any further liability to Tenant, upon Landlord's transfer.
32. **SUBORDINATION:** This agreement shall be subordinate to all existing liens and, at Landlord's option, the lien of any first deed of trust or first mortgage subsequently placed upon the real property of which the Premises are a part, and to any advances made on the security of the Premises, and to all renewals, modifications, consolidations, replacements, and extensions. However, as to the lien of any deed of trust or mortgage entered into after execution of this agreement, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant pays the Rent and observes and performs all of the provisions of this agreement, unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee, trustee, or ground lessor elects to have this agreement placed in a security position prior to the lien of a mortgage, deed of trust, or ground lease, and gives written notice to Tenant, this agreement shall be deemed prior to that mortgage, deed of trust, or ground lease, or the date of recording.
33. **TENANT REPRESENTATIONS; CREDIT:** Tenant warrants that all statements in Tenant's financial documents and rental application are accurate. Tenant authorizes Landlord and Broker(s) to obtain Tenant's credit report at time of application and periodically during tenancy in connection with approval, modification, or enforcement of this agreement. Landlord may cancel this agreement: (i) before occupancy begins, upon disapproval of credit report(s); or (ii) at any time, upon discovering that information in Tenant's application is false. A negative credit report reflecting on Tenant's record may be submitted to a credit reporting agency, if Tenant fails to pay Rent or comply with any other obligation under this agreement.
34. **CONSTRUCTION-RELATED ACCESSIBILITY STANDARDS:**
- A. Landlord states that the Premises have, or have not been inspected by a Certified Access Specialist (CASp).
- B. If the Premises have been inspected by a CASp,
- (1) Landlord states that the Premises have, or have not been determined to meet all applicable construction-related accessibility standards pursuant to Civil Code Section 55.53. Landlord shall provide Tenant a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) as specified below.
- (2) (i) Tenant has received a copy of the report at least 48 hours before executing this lease. Tenant has no right to rescind the lease based upon information contained in the report.
- OR (ii) Tenant has received a copy of the report prior to, but no more than, 48 hours before, executing this lease. Based upon information contained in the report, Tenant has 72 hours after execution of this lease to rescind it.
- OR (iii) Tenant has not received a copy of the report prepared by the CASp prior to execution of this lease. Landlord shall provide a copy of the report prepared by the CASp (and, if applicable a copy of the disability access inspection certificate) within 7 days after execution of this lease. Tenant shall have up to 3 days thereafter to rescind the lease based upon information in the report.
- C. If the Premises have not been inspected by a CASp or a certificate was not issued by the CASp who conducted the inspection, "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises."
- D. Notwithstanding anything to the contrary in **paragraph 17, 18, 19** or elsewhere in the lease, any repairs or modifications necessary to correct violations of construction related accessibility standards to the Premises are the responsibility of the Tenant, Landlord, Other _____.
35. **MEDIATION:** Tenant and Landlord agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to **paragraph 36** below. **Paragraphs 36B and C** apply whether or not the arbitration provision is initialed. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.



36. ARBITRATION OF DISPUTES:

- A. Tenant and Landlord agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 36B and C below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.**
- B. EXCLUSIONS FROM MEDIATION AND ARBITRATION:** The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.
- C. BROKERS:** Tenant and Landlord agree to mediate and arbitrate disputes or claims involving either or both Brokers, provided either or both Brokers shall have agreed to such mediation or arbitration, prior to, or within a reasonable time after the dispute or claim is presented to Brokers. Any election by either or both Brokers to participate in mediation or arbitration shall not result in Brokers being deemed parties to the agreement.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____

- 37. JOINT AND INDIVIDUAL OBLIGATIONS:** If there is more than one Tenant, each on shall be individually and completely responsible for the performance of all obligations of Tenant under this agreement, jointly with every other Tenant, and individually, whether or not in possession.
- 38. NOTICE:** Notices may be served by mail, email, or courier at the contact information provided in the signature section for Landlord or Tenant, or at any other location subsequently designated and is deemed effective upon personal receipt by either party or their agent.
- 39. WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same breach or a waiver of any subsequent breach.
- 40. INDEMNIFICATION:** Tenant shall indemnify, defend and hold Landlord harmless from all claims, disputes, litigation, judgments and attorney fees arising out of Tenant's use of the Premises.
- 41. OTHER TERMS AND CONDITIONS/SUPPLEMENTS:** 1. Water and PGE are included in rent assuming storage only. Landlord reserves the right to separately meter tenants' space at which time tenant to pay utilities directly. 2. The sole permitted use of the space is storage only. Any other use of the space is not permitted. 3. Tenant to give written notice of tenants' intent to vacate or renew this lease not less than 120 days prior to lease expiration. 4. Tenant shall from time to time allow landlord access to the space for general inspection and repair. 5. Tenant shall at lease signing and, on each anniversary, submit to landlord tenants' insurance certificate labelling landlord as loss payee and additionally insured. 6. Tenant is a long-standing current occupant of the space and accepts it in its completely as is condition.

The following ATTACHED supplements/exhibits are incorporated in this agreement: Option Agreement (C.A.R. Form OA) _____

- 42. ATTORNEY FEES:** In any action or proceeding arising out of this agreement, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorney fees and costs from the non-prevailing Landlord or Tenant, except as provided in paragraph 35A.
- 43. ENTIRE CONTRACT:** Time is of the essence. All prior agreements between Landlord and Tenant are incorporated in this agreement, which constitutes the entire contract. It is intended as a final expression of the parties' agreement, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence whatsoever may be introduced in any judicial or other proceeding, if any, involving this agreement. Any provision of this agreement that is held to be invalid shall not affect the validity or enforceability of any other provision in this agreement. This agreement shall be binding upon, and inure to the benefit of, the heirs, assignees and successors to the parties.
- 44. BROKERAGE:** Landlord and Tenant shall each pay to Broker(s) the fee agreed to, if any, in a separate written agreement. Neither Tenant nor Landlord has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as named in this agreement, in connection with any act relating to the Premises, including, but not limited to, inquiries, introductions, consultations, and negotiations leading to this agreement. Tenant and Landlord each agree to indemnify, defend and hold harmless the other, and the Brokers specified herein, and their agents, from and against any costs, expenses, or liability for compensation claimed inconsistent with the warranty and representation in this **paragraph 43.**



45. AGENCY CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 Listing Agent: Renz & Renz Investment & Commercial Brokerage (Print Firm Name) is the agent of (check one):
 the Landlord exclusively; or both the Tenant and Landlord.
 Selling Agent: _____ (Print Firm Name) (if not same as Listing Agent)
 is the agent of (check one):
 the Tenant exclusively; or the Landlord exclusively; or both the Tenant and Landlord.
 Real Estate Brokers are not parties to the agreement between Tenant and Landlord.

Landlord and Tenant acknowledge and agree that Brokers: (i) do not guarantee the condition of the Premises; (ii) cannot verify representations made by other; (iii) will not verify zoning and land use restrictions; (iv) cannot provide legal or tax advice; (v) will not provide other advice or information that exceeds the knowledge, education or experience required to obtain a real estate license. Furthermore, if Brokers are not also acting as Landlord in this agreement, Brokers: (vi) do not decide what rental rate a Tenant should pay or Landlord should accept; and (vii) do not decide upon the length or other terms of tenancy. Landlord and Tenant agree that they will seek legal, tax, insurance, and other desired assistance from appropriate professionals.

46. LEGALLY AUTHORIZED SIGNER: Wherever the signature or initials of the Legally Authorized Signer identified in paragraphs 47 or 48 appear on this Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Legally Authorized Signer (i) represents that the entity for which that person is acting already exists and is in good standing to do business in California and (ii) shall Deliver to the other Party, upon request, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

47. Tenant agrees to rent the Premises on the above terms and conditions.

- A. ENTITY TENANT:** (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)
- (1) One or more Tenant is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
 - (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See paragraph 46 for additional items.
 - (3) The name(s) of the Legally Authorized Signer(s) is: _____
 - (4) If a trust, identify Tenant as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
 - (5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____

B. TENANT SIGNATURE(S):

(Signature) By, _____ Date: _____
 Printed name of Tenant: **Hazel Hawkins Hospital**
 Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Text _____ E-mail _____

(Signature) By, _____ Date: _____
 Printed name of Tenant: _____
 Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ Text _____ E-mail _____

IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

GUARANTEE: In consideration of the execution of this Agreement by and between Landlord and Tenant and for valuable consideration, receipt of which is hereby acknowledged, the undersigned ("Guarantor") does hereby: (i) guarantee unconditionally Landlord and Landlord's agents, successors and assigns, the prompt payment of Rent or other sums that become due pursuant to this Agreement, including any and all court costs and attorney fees included in enforcing the Agreement; (ii) consent to any changes, modifications or alterations of any term in this Agreement agreed to by Landlord and Tenant; and (iii) waive any right to require Landlord and/or Landlord's agents to proceed against Tenant for any default occurring under this Agreement before seeking to enforce this Guarantee.

Guarantor (Print Name) _____
 Guarantor _____ Date _____
 Address _____ City _____ State _____ Zip _____
 Telephone _____ E-mail _____



48. Landlord agrees to rent the Premises on the above terms and conditions:

- A. **ENTITY LANDLORD:** (Note: If this paragraph is completed, a Representative Capacity Signature Disclosure (C.A.R. Form RCSD) is not required for the Legally Authorized Signers designated below.)
- (1) One or more Landlord is a trust, corporation, LLC, probate estate, partnership, holding a power of attorney or other entity.
 - (2) This Agreement is being Signed by a Legally Authorized Signer in a representative capacity and not in an individual capacity. See **paragraph 46** for additional items.
 - (3) The name(s) of the Legally Authorized Signer(s) is: _____
 - (4) If a trust, identify the Landlord as trustee(s) of the trust or by simplified trust name (ex. John Doe, co-trustee, Jane Doe, co-trustee or Doe Revocable Family Trust).
 - (5) If the entity is a trust or under probate, the following is the full name of the trust or probate case, including case #: _____

B. LANDLORD SIGNATURE(S):

(Signature) By, _____ Date: _____

Printed name of Landlord: **Stanley John Alonso Irrevocable Trust**

Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Text _____ E-mail _____

(Signature) By, _____ Date: _____

Printed name of Landlord: _____

Printed Name of Legally Authorized Signer: _____ Title, if applicable, _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Text _____ E-mail _____

IF MORE THAN TWO SIGNERS, USE Additional Signature Addendum (C.A.R. Form ASA).

Agency relationships are confirmed as above. Real estate brokers who are not also Landlords in this agreement are not a party to the agreement between Landlord and Tenant.

Real Estate Broker (Tenant Brokerage Firm) _____ Lic. # _____

By (Agent) _____ Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Landlord Brokerage Firm) **Renz & Renz Investment & Commercial Brokerage** Lic. # **00854816**

By (Agent) _____ Lic. # **01911413** Date _____

Christian Renz

Address **7500 Arroyo Circle Suite 170** City **Gilroy** State **CA** Zip **95020**

Telephone **(408)846-1031** Fax **(408)846-1042** E-mail **chris@renzrenz.com**

Landlord's Initials _____ / _____ Tenant's Initials _____ / _____

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 REAL ESTATE BUSINESS SERVICES, LLC,
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CL REVISED 12/23 (PAGE 7 OF 7)

COMMERCIAL LEASE AGREEMENT (CL PAGE 7 OF 7)

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Hillcrest Leas



Hazel Hawkins
MEMORIAL HOSPITAL

To: San Benito Health Care District Board of Directors
From: Heidi Quinn, General Counsel
Date: September 26, 2024
Re: Exempt Surplus Land - Assessor Parcel Numbers: 054-190-010 (321 First Street), 057-220-002 (931 Sunset Drive), 057-210-001 (900 Sunset Drive (northside)), 057-210-002 (930 Sunset Drive), 057-220-007 (961 Sunset Drive), 057-220-020 (Sunset Drive), 057-220-022 (911 Sunset Drive)

Recommendation: Adopt Resolution No. 2024-11, declaring certain real property in Hollister, California, owned by the San Benito Health Care District (“District”), is exempt surplus land necessary for the agency’s use pursuant to Government Code sections 54221(f)(1)(N) and 54221(c)(2)(B)(i) and finding that such declaration is exempt from environmental review under the California Environmental Quality Act (CEQA).

Background: The Surplus Land Act (“Act”), set forth at Government Code sections 54220-54234, is a “right of first refusal” law that requires local agencies to offer surplus land for sale or lease (15 years or more) to affordable home developers and certain other entities before selling or leasing the land to any other individual or entity. Land must be declared either “surplus land” or “exempt surplus land,” as supported by written findings, before the District may take action to dispose of it.

The District owns in fee simple certain parcels of real property in the City of Hollister, identified by San Benito County as Assessor Parcel Numbers 054-190-010 (321 First Street), 057-220-002 (931 Sunset Drive), 057-210-001 (900 Sunset Drive (northside)), 057-210-002 (930 Sunset Drive), 057-220-007 (961 Sunset Drive), 057-220-020 (Sunset Drive), and 057-220-022 (911 Sunset Drive) (collectively, “Property”). The District utilizes the Property for the operation of certain health care facilities.

Insight Foundation of America (“Insight”) submitted a proposal to the District on August 7, 2024 regarding a potential transaction in which Insight would form a non-profit, Insight Health Foundation of California, Inc., to continue to operate the District’s facilities pursuant to a lease of certain real estate assets for a period of five (5) years, with Insight’s option to purchase the Property at the end of five (5) years if Insight has performed and continues to perform its obligations under definitive agreements to be negotiated by the District and Insight.

Analysis. Pursuant to Health & Safety Code section 32121, the District has the power to lease property of every kind and description within and without the limits of the District, and to control and dispose of the same and create a leasehold interest in the same for the benefit of the District. Section 32121(p)(1) provides that the District has the power to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets. Before the District transfers fifty percent (50%) or

more of the District's assets to one or more corporations, the District Board of Directors ("Board") is required, by resolution, to submit to the voters of the District a ballot measure proposing the transfer. While a lease for less than fifteen (15) years is not considered "disposal" for purposes of the Act, the sale of real property is subject to the Act.

Under the Act, "exempt surplus land" means land that is described under any subdivision of section 54221(f)(1) of the Act. Section 54221(f)(1)(N) provides that real property used by a district for the agency's use, as expressly authorized in section 54221(c), is "exempt surplus land." Section 54221(c)(2)(B)(i) provides that in the case of a local agency that is a district (excepting those whose primary mission or purpose is to supply the public with a transportation system, which is not the case for the agency) "agency's use" may include "commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development" or may "be for the sole purpose of investment or generation of revenue" provided that the District's governing body takes action in a public meeting declaring that the use of the site will "[d]irectly further the express purpose of agency work or operations".

District staff has determined that use of the Property will constitute a commercial use, will directly further the express purpose of the District's work or operations, and accordingly, constitutes "agency's use" within the meaning of section 54221(c)(2). The California Department of Housing and Community Development has reviewed the proposed Resolution. At a regular public meeting, the Board must adopt a Resolution setting forth the necessary findings and direct the Clerk of the Board to submit the Resolution to the California Department of Housing and Community Development for review. Adoption of the Resolution does not obligate the District to move forward with the lease or the sale.

The Board's action is exempt from review under the California Environmental Quality Act (Public Resources Code section 21000 *et seq.* ("CEQA")) pursuant to 14 Cal. Code of Regulations section 15061(b)(3), because it can be seen with certainty that there is no possibility that declaring the Property exempt surplus land may have a significant effect on the environment, because such declaration is only a preliminary step before any disposition.

Resolution No. 2024-11

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BENITO HEALTH CARE DISTRICT DECLARING THAT CERTAIN REAL PROPERTY OWNED BY THE DISTRICT IDENTIFIED BY SAN BENITO COUNTY AS ASSESSOR PARCEL NUMBERS 054-190-010, 057-210-001, 057-210-002, 057-220-002, 057-220-007, 057-220-020, 057-220-022, (“PROPERTY”) IS EXEMPT SURPLUS LAND NECESSARY FOR THE AGENCY’S USE PURSUANT TO GOVERNMENT CODE SECTIONS 54221(f)(1)(N) AND 54221(c)(2)(B)(i) AND FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

RECITALS

WHEREAS, the San Benito Health Care District, a California Local Health Care District (“District”), is governed by the Health Care District Law (Health & Safety Code sections 32000 et seq.);

WHEREAS, the District owns and operates certain health care facilities and real estate in the County of San Benito, California (“County”), including Hazel Hawkins Memorial Hospital (“Hazel Hawkins”), two skilled nursing facilities, six rural health clinics, two community health clinics, and two satellite lab/draw stations;

WHEREAS, the District is the owner in fee simple of certain real property in the City of Hollister, identified by San Benito County as Assessor Parcel Numbers: 054-190-010 (321 First Street), 057-210-001 (900 Sunset Drive (northside)), 057-210-002 (930 Sunset Drive), 057-220-002 (931 Sunset Drive), 057-220-007 (961 Sunset Drive), 057-220-020 (Sunset Drive), 057-220-022 (911 Sunset Drive) (collectively, “Property”);

WHEREAS, pursuant to Cal. Health & Safety Code section 32121(c), the District has the power to purchase, receive, have, take, hold, lease, use, and enjoy property of every kind and description within and without the limits of the District, and to control, dispose of, convey, and encumber the same and create a leasehold interest in the same for the benefit of the District;

WHEREAS, pursuant to Cal. Health & Safety Code section 32121(p)(1), the District has the power to transfer, at fair market value, any part of its assets to one or more corporations to operate and maintain the assets. Before the District transfers fifty percent (50%) or more of the District’s assets to one or more corporations, in sum or by increment, the Board is required, by resolution, to submit to the voters of the District a ballot measure proposing the transfer. If a majority of the voters voting on the measure vote in its favor, the transfer shall be approved;

WHEREAS, the District is the sole provider of certain health care services in the County, including the emergency and related hospital services provided at Hazel Hawkins;

WHEREAS, due to multiple factors affecting hospitals and other health care providers for many years, the District declared a fiscal emergency on November 4, 2022, and filed for Chapter 9 bankruptcy on May 23, 2023;

WHEREAS, despite the efforts over the past several years of the District's management and Board of Directors ("Board") to reduce expenses, uncontrollable increases in expenses and decreases in revenues threaten the District's long-term fiscal viability and, if allowed to continue, could threaten patient care and patient safety;

WHEREAS, since November 2022, the District has engaged consultants to conduct a comprehensive marketing process to solicit and identify potential transaction partners;

WHEREAS, in May 2024, the District ultimately determined that a lease, with option to purchase, of certain real estate assets would provide the optimal choice for continued long-term sustainability of health care services and for meeting the Board's described objectives;

WHEREAS, Insight Foundation of America ("Insight") submitted a proposal to the District on August 7, 2024 regarding a potential transaction in which Insight would form a nonprofit, Insight Health Foundation of California, Inc., to continue to operate the District's facilities pursuant to a lease of certain real estate assets for a period of five (5) years, with Insight's option to purchase the real estate assets at the end of five (5) years if Insight has performed and continues to perform its obligations under definitive agreements to be negotiated by the District and Insight;

WHEREAS, pursuant to the proposal, Insight would maintain the District's existing services during the term of the lease and for the subsequent five- (5-) year term if Insight purchases the real estate assets;

WHEREAS, under the Surplus Land Act, Government Code sections 54220-54234, as amended by Assembly Bill 1486 ("Act"), land must be declared either surplus land or exempt surplus land, as supported by written findings, before the District may take any action to dispose of it;

WHEREAS, under the Act, exempt surplus land means land that is described under any subdivision of section 54221(f)(1) of the Act;

WHEREAS, under section 54221(f)(1)(N) of the Act, real property used by a district for an agency's use as expressly authorized in subdivision (c) of section 54221 is exempt surplus land;

WHEREAS, section 54221(c)(2)(B)(i) of the Act provides that in the case of a local agency that is a district (excepting those whose primary mission or purpose is to supply the public with a transportation system, which is not the case for the Agency) "agency's use" may include "commercial or industrial uses or activities, including nongovernmental retail, entertainment, or office development" or may "be for the sole purpose of investment or generation of revenue" provided that the District's governing body takes action in a public

meeting declaring that the use of the site will “[d]irectly further the express purpose of agency work or operations”;

WHEREAS, District staff has determined that use of the Property to generate revenue will directly further the express purpose of the District’s work or operations, and constitutes “agency’s use” within the meaning of section 54221(c)(2)(B) of the Act;

WHEREAS, under the Act, disposition of land does not mean entering into a lease for surplus land for a term of fifteen (15) years or less;

WHEREAS, section 54222.3 of the Act provides that an agency may dispose of property declared exempt surplus land without further regard to the requirements of the Act; and

WHEREAS, this declaration of Property does not obligate the District to subsequently dispose of the Property and the District may in the future determine not to move forward with any lease, sale, or other disposition of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD AS FOLLOWS:

SECTION 1. Recitals. The District Board of Directors hereby finds and determines that the foregoing recitals are severally ratified, confirmed, approved, and adopted in all respects.

SECTION 2. Declaration of Exempt Surplus Land. Based upon the above-stated Recitals, and pursuant to sections 54221(d)(2)(A), 54221(f)(1)(N), and 54221(c)(2)(B)(i) of the Act, the Board of Directors hereby declares that the Property described and identified in Exhibit “A” is exempt surplus land as follows:

- A. The Board of Directors hereby finds that the sale of Property, should it occur, is being disposed of for commercial and industrial uses and activities; and
- B. The sale and use would further the express purpose of the District’s work or operations.

SECTION 3. CEQA. This Resolution is exempt from review under the California Environmental Quality Act (Public Resources Code section 21000 *et seq.*) (“CEQA”) pursuant to 14 Cal. Code of Regulations, section 15061(b)(3), because it can be seen with certainty that there is no possibility that declaring the Property exempt surplus land may have a significant effect on the environment, because such declaration is only a preliminary step before any disposition.

SECTION 4. Authorization. The District Chief Executive Officer or designee is authorized to do all things that they deem necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken are hereby ratified and confirmed.

SECTION 5. Certification. The District Clerk of the Board shall certify the adoption of this Resolution and shall send a copy of this Resolution to the State of California Department of Housing and Community Development.

SECTION 6. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this XX day of _____, 2024 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Jeri Hernandez, President

Attested: _____
Josie Sanchez, Secretary

4859-9550-2040, v. 4