

OFFICIAL MINUTES

California Health Facilities Financing Authority
915 Capitol Mall, Room 587
Sacramento, California

Thursday, April 27, 2006
1:45 PM

The meeting was called to order by Laurie Weir sitting for Chairman Philip Angelides. Members present were Windie Scott (sitting for Steve Westly), Molly Arnold (sitting for Michael C. Genest), Harry Bistrin and Judith Frank. Dr. Oscar Sablan participated via teleconference at the Sablan Medical Clinic located at 927 "O" Street in Firebaugh, CA.. Also present were staff members Sandra Simpson-Fontaine, Executive Director, Greg Rogers, Deputy Executive Director, Julia Bilaver, Counsel to the Authority, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP.

The minutes of the March 23, 2006 meeting were approved as submitted.

The Executive Director's Report was presented covering the month of March 2006. As of March 31, 2006, bonds outstanding totaled \$6,819,255,089 and the fund balance was \$8,198,427.13. There were 10 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,391,265,000, which represents 79% of all CHFFA debt outstanding, and 8 equipment financings with a total balance outstanding of \$23,038,442. The Executive Director also reported a HELP II Fund balance of \$19,387,369, a HealthCAP balance of \$0.00, a Cedillo-Alarcón Clinic Grant Fund balance of \$3,451,656, an Anthem-Wellpoint Grant Fund balance of \$35,955,267 and the Children's Hospital Bond Act of 2004 Fund balance of \$597,419,791, as of March 31, 2006. The Executive Director reported to the board members that staff has completed the review and scoring process for the Community Clinic Grant Awards. There were 300 Grant applications received and 33 were determined to be ineligible. The Executive Director also introduced the new Operations Manager, Charles Fitzpatrick.

Resolution No. F-318 – Kaiser Permanente (Kaiser) requested the Authority approve a resolution in an amount not to exceed \$1,500,000,000. Kaiser will use the bond proceeds to construct replacement hospitals and new facilities, purchase real estate, and purchase equipment. Staff recommended the Authority approve a Resolution in an amount not to exceed \$1,500,000,000 for Kaiser subject to a bond rating of at least an "A" category rating by a nationally recognized rating agency. Staff also recommended reduction of the yearly Authority administrative fee for Kaiser* at an aggregate outstanding bond balance in excess of \$750 million, at which point the yearly fee would be 0.01% for any amount over \$750 million. This reduction will commence with the January 2008 Authority billing, as this billing will be based on the January 2007 outstanding balances. After discussion by the Authority, and public comment from the California Nurses Association there was a roll call vote and the resolution was unanimously approved.

*Note: Staff recommendation reads "borrowers...". However staff (Barry) verbally said "Kaiser" at the CHFFA meeting.

Staff presented the quarterly report of the HELP II Loan Program.

Having no other business, the meeting was adjourned.