

## OFFICIAL MINUTES

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

### Alternate Locations for Teleconference Participation

Sablan Medical Clinic  
927 "O" Street  
Firebaugh, CA 93622

Thursday, October 26, 2006  
1:30 PM

The meeting was called to order by Dennis Trujillo sitting for Chairman Philip Angelides. Members present were Anne Sheehan (sitting for Michael C. Genest), Windie Scott (sitting for Steve Westly), 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, Ronald Washington, Deputy Executive Director, Julia Bilaver, Counsel to the Authority, and Peggy Arrivas, Financial Advisor, PricewaterhouseCoopers LLP. Sumi Sousa arrived at 1:45 pm, during the discussion of the Chico Feminist Women's Health Center presentation.

The minutes of the August 24, 2006 meeting were approved as submitted.

The Executive Director's Report was presented covering the months of July and August and September 2006. As of September 30, 2006, bonds outstanding totaled \$7,340,734,972 and the fund balance was \$9,192,902.10. There were 11 borrowers with over \$100 million in CHFFA debt with a combined balance outstanding of \$5,921,037,316, which represents 81% of all CHFFA debt outstanding, and 7 equipment financings with a total balance outstanding of \$16,648,325. The Executive Director also reported a HELP II Fund balance of \$22,282,202, a HealthCAP balance of \$0.00, a Cedillo-Alarcón Clinic Grant Fund balance of \$3,525,222, an Anthem-Wellpoint Grant Fund balance of \$31,713,627 and the Children's Hospital Bond Act of 2004 Fund balance of \$523,568,181, as of September 30, 2006.

**Resolution No. HII-188** – Chico Feminist Women's Health Center dba Women's Health Specialists (WHS) requested the Authority approve a HELP II loan for \$213,750. The loan proceeds will be used to renovate and update WHS's Redding and Sacramento facilities to accommodate increased patient load and improve overall operating efficiency. Staff recommended the Authority approve a resolution for a HELP II loan in an amount not to exceed \$213,750 for a term not to exceed 5 years for the Women's Health Specialists, subject to the standard HELP II loan provisions with the exception of the security provisions of the proposed loan be secured by a debt service reserve account equal to six months of debt payments totaling \$23,045. WHS shall fund this debt service reserve account at loan closing, with terms and conditions agreeable to CHFFA. Additionally, a UCC-1 equipment lien will be filed. These security provisions are consistent with previous HELP II loans to borrowers who lease facilities. The HELP II loan term shall match the remaining lease term of five years. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

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**Resolution No. 2006-10** - Beckman Research Institute of the City of Hope requested an amendment to its Loan Agreement to: (i) change the interest rate of the existing tax-exempt bonds; (ii) provide for an extension of the Prepayment Date and (iii) adding definitions to allow for the execution of an interest rate swap agreement. Staff recommended the Authority approve a resolution for the proposed amendment to the Loan Agreement to change the interest rate on tax-exempt bonds; extend prepayment date; and update the definitions. After discussion by the Authority, a motion was made and seconded and the resolution was unanimously approved.

**Resolution No. 2006-11** - The Authority's staff requested the Authority approve Resolution No. 2006-11, the Interagency Agreement with the State Treasurer's Office (STO) for the fiscal year 2006-07 in an amount not to exceed \$278, 007. The Resolution authorizes the STO to provide administrative services including accounting, budgeting, data processing, personnel and business services to the Authority for fiscal year 2006-07. Staff recommended the Authority approve a resolution for the proposed Interagency Agreement with the State Treasurer's Office. After discussion by the Authority, a motion was made and seconded for the staff proposal and the resolution was unanimously approved.

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

Board member Judith Frank requested that all information requested by Members be identified in future meeting minutes as a sidebar item.

Chairman Dennis Trujillo announced that Julia Bilaver, Counsel to the Authority has accepted a position with the Attorney General's Office and would be leaving the State Treasurer's Office October 27, 2006.

Peggy Arrivas of PricewaterhouseCoopers LLP made a presentation to the Authority regarding the Financial Status of the CHFFA borrowers. During the presentation board members requested that staff request and review the quarterly financial statements for Downey Regional Medical Center due to the low Debt Service Coverage at its June 30, 2005 fiscal year-end and noted the lack of credit enhancement for the facility. The Executive Director and staff visited Downey Regional Medical Center in December 2005 and will continue monitoring the borrower.

Board member Dr. Oscar Sablan asked if the CHFFA staff could advertise and promote the HELP II Program. The Executive Director and other board members agreed that staff should address potential opportunities for the HELP II Program.

Board members requested proposals for revised HELP II guidelines to be presented at the December 7, 2006 Authority meeting.

Having no other business, the meeting was adjourned.